
**CHICAGO-O'HARE
INTERNATIONAL AIRPORT
FUELING SYSTEM**



**Agreement for Fueling Service
dated February 1, 1960**

**Agreement Among Participating Airlines
dated January 1, 1959**

**Fueling System Lease
dated January 1, 1959**

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AGREEMENT
for
FUELING SERVICE
at
CHICAGO-O'HARE INTERNATIONAL AIRPORT

AGREEMENT made and entered into as of this 1st day of February, A.D., 1960, by and between LOCKHEED AIR TERMINAL, INC., a Delaware corporation (hereinafter referred to as the "Operator"), party of the first part, and the following air carriers:

AMERICAN AIRLINES, INC., a Delaware corporation,
BRANIFF AIRWAYS, INCORPORATED, an Oklahoma corporation,
CAPITAL AIRLINES, INC., a Delaware corporation,
CONTINENTAL AIR LINES, INC., a Nevada corporation,
DELTA AIR LINES, INC., a Louisiana corporation,
EASTERN AIR LINES, INC., a Delaware corporation,
THE FLYING TIGER LINE, INC., a Delaware corporation,
LAKE CENTRAL AIRLINES, INC., a Delaware corporation,
NORTH CENTRAL AIRLINES, INC., a Wisconsin corporation,
NORTHWEST AIRLINES, INC., a Minnesota corporation,
OZARK AIR LINES, INC., a Missouri corporation,
PAN AMERICAN WORLD AIRWAYS, INC., a New York corporation,
TRANS WORLD AIRLINES, INC., a Delaware corporation,
TRANS-CANADA AIR LINES, a corporation of the Dominion of Canada, and
UNITED AIR LINES, INC., a Delaware corporation,

parties of the second part;

WITNESSETH :

WHEREAS, the above named air carriers are engaged in the business of air transportation at Chicago-O'Hare International Airport, situated in the County of Cook and the County of Du Page, State of Illinois (hereinafter, together with any additions thereto or enlargements thereof, referred to as the "Airport"), and have entered into a Fueling System Lease with the City of Chicago (hereinafter referred to as the "City"), dated as of January 1, 1959 (hereinafter, together with any amendments hereafter made thereto with the approval of the Operator, referred to as the "System Lease"), a true and correct copy of which has been furnished the Operator, providing, among other things, that the City, subject to certain conditions, will construct on the premises demised thereunder an aviation fuel storage and distribution system and related facilities and improvements which, under the terms of the System Lease, such air carriers have the right to operate directly or through another designated by them; and

WHEREAS, such air carriers have entered into an Agreement entitled "O'Hare Fueling System-Agreement Among Participating Airlines," dated as of January 1, 1959 (hereinafter, together with any amendments here-

after made thereto with the approval of the Operator, referred to as the "Interline Agreement"), a true and correct copy of which has been furnished the Operator, establishing, among other things, certain conditions in respect to such air carriers' use and operation of the System (as defined in paragraph 1.04 hereof) and to their obligations under the System Lease; and

WHEREAS, such air carriers, acting through the Chicago Airlines Top Committee, have selected Lockheed Air Terminal, Inc. to operate the System and desire that the Operator undertake the operation of the System upon the terms and conditions hereinafter set forth;

Now, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto mutually covenant and agree as follows:

ARTICLE I

DEFINITIONS

The following terms, when used in this Agreement, shall have the respective meanings given below, unless the context clearly indicates a different meaning:

1.01 The term "Contracting Airlines" shall mean those air carriers which are parties to this Agreement on the date in question, and the term "Contracting Airline" shall mean any one of the Contracting Airlines.

1.02 The term "Majority in Interest of Contracting Airlines" shall mean at any time the then Contracting Airlines who (a) constitute at least one-half of the then Contracting Airlines, and (b) who (i) if rental is then payable under the provisions of Article III of the System Lease, are, under the provision of subparagraphs (a) and (b) of Paragraph 4.01 of the Interline Agreement, to be charged for the payment of over fifty per cent of the rental payable during the then current calendar month under Article III of the System Lease and (ii) if rental is not then payable under the provisions of Article III of the System Lease, would be obligated under the provisions of said Article III, if rental was then payable thereunder, to pay over fifty per cent of such rental.

1.03 The term "Supplier" shall mean any person or corporation from whom any one or more of the Contracting Airlines shall purchase any aviation fuel or other associated products.

1.04 The term "System" shall mean the "demised premises" under Article I of the System Lease, together with all improvements now or hereafter located thereon, and no matter by whom constructed or installed (including, without limitation, improvements constructed or installed by any Contracting Airline pursuant to Paragraph 6.01(e) of the Interline Agreement, on its individual use portion of the System), and shall also include any System capital assets acquired pursuant to Article VII of this Agreement.

1.05 The term "primary bulk storage area" shall mean the "Tank Farm Area" as defined in Section 1.01(a) of the System Lease and as referred to in Article III of the Interline Agreement.

1.06 The term "satellite storage areas" shall mean the Satellite Area as defined in Section 1.01(c) of the System Lease and as referred to in Article III of the Interline Agreement.

1.07 The term "Truck Fill Stand Area" shall have the same meaning as defined in Section 1.01(b) of the System Lease and as referred to in Article III of the Interline Agreement.

1.08 The term "Piping Area" shall have the same meaning as defined in Section 1.01(d) of the System Lease.

1.09 The term "System capital assets" shall mean all property (including, without limitation, buildings, improvements, hydrant carts, mobile equipment and other equipment and facilities and repairs to the System) which, subject to the provisions hereof, is at any time acquired, purchased, constructed or installed by the Operator, to the extent expenditures of the Operator for such property are to be capitalized in accordance with generally accepted sound accounting principles; provided, however, that in no event shall items of supplies or miscellaneous tools or items representing ordinary repair and maintenance, or any item involving an

expenditure of less than \$100, be considered System capital assets, nor shall any item acquired, purchased, constructed or installed by the Operator pursuant to arrangements with one or more Contracting Airlines, individually, be considered a System capital asset.

1.10 The term “operations commencement date” shall mean the date specified in a written notice to the Operator from a Majority in Interest of Contracting Airlines as the date on which the Operator is to commence operation of any part of the System, which date shall be not earlier than 60 days (or such shorter period as the Operator may approve) after the date on which such notice is given to the Operator. Such notice shall designate the part or parts of the System with respect to which the Operator is to commence operations on the operations commencement date.

1.11 The term “aviation fuel” shall mean aviation gasoline and any other fuel at the time used in the propulsion of aircraft.

1.12 The term “other associated products” shall mean lubricating oils, ADI fluids, greases, mineral spirits, demineralized water, automotive fuel and other related supplies used in connection with the operation or maintenance of aircraft or automotive equipment, but excluding aviation fuel.

1.13 The term “chargeable operating cost” shall mean the sum of the following factors of cost incurred by the Operator after the operations commencement date in performing services hereunder, subject, however, to the provisions of paragraph 8.04(c):

- (a) on-the-job payroll cost, including paid holidays and vacations, severance pay benefits, paid sick leave and related payroll taxes;

- (b) employer contribution cost of every nature whatsoever in relation to employees carried on the on-the-job payroll mentioned in the foregoing subparagraph (a), including, but not limited to, social security, unemployment insurance, benefits for medical and hospital care, disability, death or pensions on retirement, or insurance or annuity contracts to provide any of the foregoing, and any other payments, other than those referred to in the foregoing subparagraph (a), required under any collective bargaining agreement to which the Operator is a party;

- (c) cost of premiums for workmen’s compensation, employer’s liability, public liability, contractual liability, property damage and all other forms of insurance obtained by the Operator pursuant to the provisions of Article XI hereof, and the cost of premiums for fidelity bonds;

- (d) material cost, including cost of materials, parts, tools, supplies, water, steam, electricity and all other direct costs incurred in operating, maintaining and repairing the System and in performing services hereunder;

- (e) rentals payable by the Operator for space at the Airport leased by the Operator in connection with the performance of services under this Agreement;

- (f) amortization of System capital assets, calculated to amortize the Operator’s investment in each such asset over the period from the later of the operations commencement date or the date such asset is put into operation, to the earlier of the expiration date of this Agreement or the expiration date of the period of anticipated effective use of such asset;

- (g) interest on the Operator’s unamortized investment in each System capital asset at an interest rate equal to the interest rate prevailing from time to time for 90-day unsecured notes of prime commercial borrowers from the Bank of America plus 1%;

- (h) federal, state and local taxes and license fees which are attributable to the performance of services under this Agreement, but excluding income and excess profits taxes and corporate license fees and franchise taxes;

- (i) all other expenses to be included under the provisions of this Agreement in chargeable operating cost; and

(j) all other expenses chargeable under generally accepted sound accounting principles to the cost of performing services hereunder, but not including those costs or expenses excluded by the provisions of paragraph 1.14,

all as determined, subject to the requirements hereof, in accordance with generally accepted sound accounting principles.

1.14 Unless a Majority in Interest of Contracting Airlines consent to such inclusion, the term "chargeable operating cost" shall not include directly or indirectly,

(a) home office or non-Chicago area overhead costs, examples of which are compensation of personnel based outside the Chicago area, travel expenses outside the Chicago area (other than moving expense allowances granted to supervisory personnel assigned on a permanent basis in the Chicago area to the operation of the System) and the cost of those services which the Operator contemplates performing at its home office (whether or not actually performed there). The Operator contemplates that its home office will provide the usual home office management supervisory functions and that its home office will prepare the payrolls, invoices, tax returns and similar reports or statements that may be necessary in connection with performing services hereunder (but not the underlying timekeeping and similar records on which such reports or statements are based);

(b) fees of legal counsel with respect to matters referred to in paragraphs 3.09(c) and 3.12;

(c) the cost of any System capital asset, except amortization thereof and interest on the Operator's unamortized investment therein as provided in paragraph 1.13;

(d) any bad debt or collection expense in connection with any amount payable by any Contracting Airline or Airlines to the Operator hereunder;

(e) any cost or expense which is reimbursed from the proceeds of any insurance obtained by the Operator pursuant to the provisions of Article XI hereof; or

(f) any claim against the Operator arising from any negligent act or omission or any wilful misconduct of the Operator or any of its employees or agents.

1.15 The term "Operator's unamortized investment" in each System capital asset shall mean at any time the Operator's then investment in such asset (whether or not such asset is then in existence as a part of the System), which investment shall be calculated by deducting from the Operator's investment in such asset, all amounts of amortization with respect to such investment which pursuant to the provisions of paragraphs 1.13(f) or 15.02 have been theretofore included in chargeable operating cost. In case any System capital asset is acquired and paid for by the Operator prior to the operations commencement date, the Operator's investment on the operations commencement date in such asset shall include interest (computed as provided in paragraph 1.13 (g)) on the acquisition cost of such asset for the period from the date of payment by the Operator for such asset to the operations commencement date.

1.16 The term "adjusting the monthly chargeable operating cost to an annual basis" shall mean that, within a given fiscal year, the chargeable operating cost for each month shall be averaged with the chargeable operating costs of the already expired months of such fiscal year, and such average chargeable operating cost shall be adjusted to an annual basis in determining the fee that is due the Operator for the month in question pursuant to paragraphs 8.01 and 8.02 hereof. For the purposes of this definition a sample calculation would be as follows:

Assume the chargeable operating cost to be \$50,000 for January and \$100,000 for February, and the fee schedule in paragraph 8.01 to be in effect. The chargeable operating cost for January, adjusted to an annual basis, would yield an annual chargeable operating cost of \$600,000 and a fee of 4.60% or \$2,300 for January. The January and February costs, adjusted to an annual basis, would yield an annual chargeable operating cost of \$900,000 and a fee of 3.70% or \$5,550 total for January and February, leaving \$3,250 as the fee due to the Operator for February.

In the event the operations commencement date is other than the beginning of a fiscal year, then in adjusting the monthly chargeable operating cost to an annual basis for the fiscal year in which the operations commencement date occurs, the portion of such fiscal year which precedes the operations commencement date shall not be taken into account, but such adjustment nevertheless shall be made on an annual basis. For example, assume that the operations commencement date is July 16 and the chargeable operating cost is \$25,000 for the second half of July and \$100,000 for August. Then the chargeable operating cost for the second half of July, adjusted to an annual basis, would yield an annual chargeable operating cost of \$600,000 and a fee of 4.60% or \$1,150 for the second half of July. The second half of July and the August costs, adjusted to an annual basis, would yield an annual chargeable operating cost of \$1,000,000, and a fee of 3.35% or \$4,187.50 total fee for the second half of July and for August, leaving \$3,037.50 as the fee due to the Operator for August.

1.17 The term "accumulated development expense" shall mean the sum of the following factors of cost incurred by the Operator prior to the operations commencement date in preparing to undertake the operation of the System and to perform services hereunder:

- (a) out-of-pocket expenses for travel and lodging, but excluding moving expense allowances granted to supervisory personnel assigned on a permanent basis in the Chicago area to the operation of the System;
- (b) attorneys' fees for contract negotiations;
- (c) printing charges incidental to preparation of this Agreement, which charges shall be paid by the Operator; and
- (d) telephone and telegram expenses and related items;

all as determined in accordance with generally accepted accounting principles.

1.18 Each of the terms "Lessees," "Consulting Engineer," "Airline Parties," "Commissioner of Aviation," "Civil Aeronautics Administration" and "Civil Aeronautics Board" shall have the same meaning as such term has in the System Lease.

1.19 The term "fiscal year" shall mean the period commencing January 1 and ending December 31 in each year.

ARTICLE II

APPOINTMENT OF OPERATOR

2.01 The Contracting Airlines, and each of them, appoint Lockheed Air Terminal, Inc., as the Operator under this Agreement to perform obligations with respect to the System and to provide services to the Contracting Airlines, and to each of them, in the manner and to the extent hereinafter provided, and the Contracting Airlines shall pay the Operator a fee therefor as hereinafter provided. The Contracting Airlines hereby grant (insofar as they may be lawfully authorized to do so) to the Operator, subject, however, to the limitations and restrictions contained in this Agreement, such of the rights granted by the City to the Contracting Airlines under the System Lease as may be necessary or desirable in order to permit the Operator to perform the services to be performed by it under the provisions of this Agreement.

2.02 The Operator shall commence operations on the operations commencement date on the part or parts of the System designated in the notice referred to in paragraph 1.10. From time to time thereafter, the Operator shall commence operation of any additional parts of the System and perform services hereunder as soon as practicable after the requested date for the commencement thereof as designated in a written notice to the Operator from a Majority in Interest of Contracting Airlines. In no case, however, shall the Operator commence operations on any part of the System prior to the time the Consulting Engineer shall certify such part is available for occupancy and use by the Lessees under the System Lease.

2.03 None of the Contracting Airlines shall be under any liability, joint or several, to the Operator or any other of the Contracting Airlines by reason of any services performed by the Operator for the other of the Contracting Airlines.

ARTICLE III

SERVICES

3.01 The Operator shall perform the following services at the Airport, utilizing the facilities comprising the System, for each of the Contracting Airlines:

(a) accept delivery on behalf of a Contracting Airline of all aviation fuel purchased by such Contracting Airline from a Supplier for use at the Airport, but only to the extent storage therefor is at the time available in such Contracting Airline's tankage capacity or tankage at the Airport assigned to it pursuant to Paragraph 3.01 of the Interline Agreement;

(b) store on behalf of a Contracting Airline aviation fuel so delivered on behalf of such Contracting Airline, such storage to be in those tanks located in the primary bulk storage area, Truck Fill Stand Area and satellite storage areas which are then assigned, or in which tankage capacity is then assigned, to such Contracting Airline pursuant to Paragraph 3.01 of the Interline Agreement; and

(c) deliver aviation fuel stored in the aforesaid storage areas on behalf of a Contracting Airline to it by one or more of the following methods, as requested by such Contracting Airline: (i) in the Truck Fill Stand Area, or (ii) through available underground piping to hydrants located on such Contracting Airline's aircraft loading ramp at the Airport.

Nothing contained herein shall affect the right of any Contracting Airline to select any Supplier of its own choice for any aviation fuel or other associated products.

3.02 The Operator shall also perform the following services at the Airport, utilizing the facilities comprising the System, for each of the Contracting Airlines requesting the same:

(a) permit the use, at the Airport by a Contracting Airline, as requested by it, of mobile equipment (including, without limitation, hydrant carts and fuel tender or defueling trucks) acquired by the Operator pursuant to Article VII;

(b) deliver aviation fuel into a Contracting Airline's aircraft in the terminal building, cargo or hangar areas at the Airport, through the use of fuel tender trucks or from hydrants located on such Contracting Airline's loading ramp, in such manner (including inspection of fuel by drainage of fuel sumps) as may be requested by such Contracting Airline;

(c) defuel aircraft of a Contracting Airline, as requested by it, pursuant to requisitions given to the Operator by duly authorized employees of such Contracting Airline; and

(d) accept delivery of other associated products delivered to the Operator on behalf of a Contracting Airline, store the same and deliver the same into automotive vehicles or aircraft at the Airport, as requested by such Contracting Airline, pursuant to requisitions given to the Operator by duly authorized employees of such Contracting Airline.

Notwithstanding the foregoing provisions, the Operator shall not be required to deliver any aviation fuel into or defuel aircraft through the use of mobile equipment unless such equipment is available for such use either through acquisition thereof by the Operator pursuant to Article VII or through being otherwise furnished to the Operator for such use.

Notwithstanding the foregoing provisions of this paragraph 3.02, the Operator shall not engage in any activity on the demised premises under Article I of the System Lease which involves the handling or dispensing of any items other than gasoline, kerosene or any other fuel or propellant unless and to the extent approval thereof is obtained from the Commissioner of Aviation.

3.03 Each Contracting Airline hereby appoints the Operator as the agent of such Contracting Airline to accept delivery on its behalf of aviation fuel delivered for its account to the Operator at the Airport by such Contracting Airline's Supplier. The Operator's authority and responsibility in such respect shall be limited to (a) accepting only such deliveries of aviation fuel of which the Operator has been notified in advance in writing by the Contracting Airline in question, through its duly authorized employees, and (b) checking each delivery of aviation fuel for quantity and, as set forth in paragraph 3.04, examining the same. Upon request of a Contracting Airline, the Operator may, on behalf of such Contracting Airline, order aviation fuel for delivery at the Airport for the account of such Contracting Airline. Each Contracting Airline shall accept the Operator's determination of the quantity of any delivery, unless it is demonstrated that such determination is incorrect. The Operator shall furnish to the Supplier a receipt for the aviation fuel so delivered for the account of a Contracting Airline and, after each such delivery, shall promptly forward to such Contracting Airline, at such address or addresses as it shall request, a copy of such receipt or a notice in writing specifying the amount of aviation fuel so delivered. By reason of accepting delivery of aviation fuel and acting as agent of any Contracting Airline as set forth above, the Operator shall not be responsible in any way or incur any liability whatsoever to such Contracting Airline or to any Supplier for any charges or for payment for such aviation fuel, and each Contracting Airline shall indemnify the Operator and hold it harmless from and against any and all claims, liabilities, damages, losses and judgments, including costs and expenses incidental thereto, which may be suffered by, accrue against, be charged to, or be recoverable from the Operator, by reason of any claim for payment by the Supplier or transporter for aviation fuel delivered for the account of such Contracting Airline.

3.04 The Operator shall, at the time of delivery, examine all aviation fuel delivered to it at the Airport on behalf of a Contracting Airline. Such examination shall include such tests as such Contracting Airline may reasonably prescribe. Each Contracting Airline authorizes the Operator to make such examinations and to reject any aviation fuel which fails to meet such tests. Except to the extent of making the aforesaid tests and except for any deterioration in quality resulting from negligent operation of the System, the Operator shall have no responsibility, beyond that insured against pursuant to paragraph 11.03, for the quality of the aviation fuel delivered to or stored at the Airport for the account of a Contracting Airline or the aviation fuel delivered at the Airport by the Operator to the Contracting Airlines. Each Contracting Airline shall indemnify the Operator and hold it harmless from and against any and all claims, liabilities, damages, losses and judgments, including costs and expenses incidental thereto, which may be suffered by, accrue against, be charged to, or be recoverable from the Operator, by reason of its rejection of any aviation fuel delivered at the Airport for the account of such Contracting Airline, provided that in so rejecting such fuel the Operator shall have acted with reasonable care and in accordance with its obligations hereunder.

3.05 The Operator shall be required to account for and deliver to each Contracting Airline the quantity of each grade and specification of aviation fuel delivered to the Operator at the Airport on behalf of such Contracting Airline (subject, however, to the provisions of Article V), plus or minus such Contracting Airline's actual gains or losses, if any, incurred in normal operation. If any such aviation fuel so delivered on behalf of any Contracting Airline is, in accordance with the provisions of Article V, commingled while in storage in the System with aviation fuel delivered to the Operator at the Airport on behalf of one or more other Contracting Airlines, the actual gains or losses, if any, incurred in normal operation for the period in question with respect to such aviation fuel so commingled shall be shared between the Contracting Airlines involved in the respective proportions of their number of gallons of interest in such aviation fuel so commingled at the commencement of such period plus the number of gallons of such aviation fuel delivered on their behalves and so commingled during such period. The Operator shall account in writing monthly, or at such other intervals as may be mutually agreed upon, to each Contracting Airline for the total amount of aviation fuel of each grade and specification received at the Airport by the Operator on behalf of such Contracting Airline, for the total amount of aviation fuel of each grade and specification delivered at the Airport by the Operator to such Contracting Airline, for such Contracting Airline's gains or losses, if any, and for the total amount of aviation fuel of each grade and specification remaining to the credit of such Contracting Airline at the end of such period.

3.06 The Operator shall be required to account for and deliver to each Contracting Airline the quantity of each grade and specification of other associated products, if any, delivered to the Operator at the Airport

on behalf of such Contracting Airline (subject, however, to the provisions of Article V), plus or minus such Contracting Airline's actual gains or losses, if any, incurred in normal operation. If any such other associated product so delivered on behalf of any Contracting Airline is commingled while in storage in the System with such other associated product delivered to the Operator at the Airport on behalf of one or more other Contracting Airlines, the actual gains or losses, if any, incurred in normal operation for the period in question with respect to such other associated product so commingled shall be shared between the Contracting Airlines involved in the respective proportions of their number of gallons or other appropriate unit of interest in such other associated product so commingled at the commencement of such period plus the number of gallons or other appropriate unit of such other associated product delivered on their behalves and so commingled during such period. The Operator shall account to each Contracting Airline with respect to such other associated products at the same times and in the same manner as provided in paragraph 3.05.

3.07 The Operator shall, subject to Article VII, furnish all equipment (including, but not limited to, hydrant carts and fuel tender trucks), labor, supervision, materials and supplies and other requisites necessary for the performance of the services required to be performed by it hereunder and for the operation of the System under this Agreement.

3.08 The Operator shall comply with all Federal, State and local laws, ordinances, rules or regulations, now or hereafter in force, which may be applicable to its operations at the Airport and with all rules and regulations promulgated by the City in accordance with the provisions of the System Lease, with respect to the operation of the Airport, and shall not take any action which would cause any violation by any Contracting Airline of its obligations under the System Lease or the Interline Agreement. The Contracting Airlines will cause the Operator to be supplied with five copies of such rules and regulations so promulgated from time to time by the City.

3.09 In addition to the other services provided for herein, the Operator shall, from time to time, make available at the Airport the qualified personnel as described below:

(a) Technical personnel to confer with representatives of the City, the Contracting Airlines and their respective architects, engineers and contractors, on the design, installation and testing of each part of the System before such part is placed in normal operation;

(b) Supervisory personnel to attend such meetings as may be required for the orderly and efficient operation of the System, including meetings with representatives of the City, the Contracting Airlines, labor unions and labor arbitrators and grievance hearings;

(c) Legal counsel to consult on and prepare such amendments to this Agreement as may be required and to act generally on behalf of the Operator in respect to legal matters affecting the operation of the System.

3.10 The Operator shall, subject to Article VII and paragraph 11.07, cause the System, including improvements, facilities and equipment now or hereafter located thereon, and no matter by whom constructed or installed, to be kept and maintained in good operating condition and repair and in a sanitary and sightly condition, and shall cause all health and safety requirements applicable thereto to be complied with. Notwithstanding the foregoing provisions of this paragraph, unless a Majority in Interest of Contracting Airlines shall otherwise request, the Operator shall not repair, replace or reconstruct any damaged or destroyed property if moneys are available for such repair, replacement or reconstruction under the provisions of Article VIII of the System Lease, nor keep or maintain, prior to completion of construction, any improvements to be constructed by the City pursuant to the System Lease.

3.11 The Operator shall make such cost estimates and studies as may be reasonably required to indicate to the Contracting Airlines the relative advantages or disadvantages and the economics of the various methods of operation.

3.12 In addition to the services provided for in paragraph 3.09(b), the Operator shall assume responsibility for establishing workable and satisfactory relations with any union representing personnel engaged in the operation of the System and the performance of services under this Agreement, including responsibility for labor arbitrations and grievance hearings which may involve such personnel. The Operator agrees to use its best efforts to negotiate total compensation for such personnel comparable to that paid to similar personnel and for similar duties in the air transport industry. The Operator, prior to the operations commencement date, and at least semiannually thereafter, shall prepare and submit to each Contracting Airline manning tables setting forth the scope of duties and proposed range of salary and wage rates and indicating the personnel it intends to hire, which tables shall be subject to the approval of a Majority in Interest of Contracting Airlines.

ARTICLE IV

SALES AND MISCELLANEOUS SERVICES AND DISPENSING TO OTHERS OF AVIATION FUEL AND ASSOCIATED PRODUCTS

4.01 The Operator may, with the approval of a Majority in Interest of Contracting Airlines, perform any one or more of the following services, utilizing the facilities comprising the System:

(a) sell at the Airport aviation fuel and other associated products for aircraft and equipment operated by any Airline Party (whether or not a Contracting Airline) or by any other party approved for such purpose by the Commissioner of Aviation;

(b) dispense at the Airport aviation fuel and other associated products for aircraft and equipment operated by any Airline Party which is not a Contracting Airline or by any other party approved for such purpose by the Commissioner of Aviation; and

(c) furnish to any Airline Party (whether or not a Contracting Airline) or any other party approved for such purpose by the Commissioner of Aviation services at the Airport in connection with air transportation in addition to those provided for or referred to elsewhere in this Agreement.

4.02 All activities pursuant to this Article IV shall be subject to such terms and conditions, if any, as may be prescribed from time to time by a Majority in Interest of Contracting Airlines including among other things, the character, quantity and manner of such activities, the amounts to be received by the Operator therefor, or basis of computation of such amounts, and the party or parties to whom such sales may be made or such services may be rendered.

4.03 Notwithstanding the foregoing provisions of this Article IV, the Operator shall in no event (a) engage in any activities on the demised premises under Article I of the System Lease pursuant to the provisions of this Article IV, other than the sale or dispensing of gasoline, kerosene or any other fuel or propellant, unless and to the extent approval therefor is obtained from the Commissioner of Aviation or (b) utilize at any time any storage tank then assigned to any Contracting Airline, or any individual use portion of the System (as defined in Paragraph 4.02 of the Interline Agreement) which any Contracting Airline then has, without in either case the consent of such Contracting Airline.

ARTICLE V

COMMINGLING OF AVIATION FUEL

5.01 The aviation fuel, the delivery of which is accepted by the Operator at the Airport on behalf of any Contracting Airline, shall at all times be and remain the property of such Contracting Airline.

5.02 The Operator shall not commingle the aviation fuel delivered to it at the Airport on behalf of any Contracting Airlines by different Suppliers, but aviation fuel of the same Supplier and of the same specification delivered on behalf of two or more of the Contracting Airlines may be commingled, with the Operator assuming the obligation to account to each of such Contracting Airlines for such aviation fuel delivered on their respective behalves. Nothing herein contained, however, shall prohibit two or more of the Contracting Airlines from commingling and requiring the Operator to commingle any of their aviation fuel in a separate tank or tanks then assigned to them pursuant to Paragraph 3.01 of the Interline Agreement upon their mutual agreement to do so, regardless of differences in Suppliers or specifications.

5.03 The provisions of paragraph 5.02 shall be applicable to aircraft engine oil. Any other associated product delivered at the Airport to the Operator on behalf of any Contracting Airline may, unless such Contracting Airline shall otherwise prescribe, be commingled with any similar product so delivered on behalf of any other Contracting Airline or Airlines.

ARTICLE VI

CHARACTER OF SERVICE

6.01 The Operator shall operate the System and shall provide service on a 24-hours-a-day, 7-days-a-week basis and shall maintain such service at a high standard. The Operator's employees performing such service shall not display any insignia or name other than that of the Operator. The Operator shall furnish service impartially to each of the Contracting Airlines and shall not favor any Contracting Airline over any other Contracting Airline.

6.02 The Operator shall conduct an efficient and economical operation and to that end shall keep costs to a minimum consistent with the type and kind of service desired by the Contracting Airlines.

6.03 A local operating committee (herein called the "Local Operating Committee") representing the Contracting Airlines, consisting of one representative of each of the Contracting Airlines, shall be established to consult regularly with the Operator concerning the performance of services pursuant to this Agreement and to establish, together with the Operator, operating procedures under which services will be performed by the Operator.

ARTICLE VII

SYSTEM CAPITAL ASSETS AND LEASES

7.01 The Operator shall, subject to the provisions hereof, from time to time acquire such System capital assets as may be necessary or proper in order to conduct an efficient and economical operation by the Operator hereunder, or as shall be requested by a Majority in Interest of Contracting Airlines; provided, however, that in no event shall the Operator be required to make any expenditure for any such asset if as a result thereof the Operator's unamortized investment in System capital assets shall in the aggregate exceed \$1,000,000.

7.02 No System capital asset, involving an aggregate expenditure in excess of \$2,500, shall be acquired by the Operator without the consent of a Majority in Interest of Contracting Airlines.

7.03 All System capital assets shall, subject to the provisions of the System Lease or any other applicable lease (approved by a Majority in Interest of Contracting Airlines) between the City and the Operator, remain the property of the Operator so long as this Agreement is in force and effect, subject, however, to the provisions of Article XV, and the Operator shall protect its interest and the interest hereunder of the Contracting Airlines in System capital assets from all claims and liens of all third parties whomsoever other than those arising under the System Lease or any other applicable lease hereinbefore referred to.

7.04 In the event of any termination of this Agreement with respect to all Contracting Airlines, the Contracting Airlines shall purchase from the Operator all its interest in System capital assets at a purchase price in cash equal to the Operator's then unamortized investment in System capital assets, whereupon the Operator shall transfer all its interest in such assets to the Contracting Airlines, or to such nominee as a Majority in Interest of Contracting Airlines may designate. The Contracting Airlines, or such of them as may be involved, shall be obligated to pay such purchase price and shall receive the transfer of the Operator's interest in such assets, in such respective proportions as shall fairly reflect the basis on which amortization of such assets was charged to or otherwise borne by such Contracting Airlines prior to the date of termination of this Agreement.

In the event of any termination of this Agreement with respect to all Contracting Airlines, the Operator shall also transfer to the Contracting Airlines, or to such nominee as a Majority in Interest of Contracting Airlines may designate, all its interest in all property (not constituting System capital assets), the cost of which shall have been included in chargeable operating cost.

7.05 The Operator shall not enter into any lease from the City of premises at the Airport to be used, in whole or in part, in connection with the performing of services hereunder except for a term and at a rental approved by a Majority in Interest of Contracting Airlines. Unless a Majority in Interest of Contracting Airlines shall otherwise approve, any such lease shall contain provisions permitting the assignment by the Operator of its interest thereunder to the Lessees, at the time of such assignment, under the System Lease or to such operator of the System as may be designated by them.

7.06 In the event of any termination of this Agreement with respect to all Contracting Airlines, the Operator shall assign, as of the date of such termination, to the then Lessees under the System Lease, or to such operator of the System as may be designated by them, all interest of the Operator as lessee under any lease to it from the City of premises at the Airport used, in whole or in part, by the Operator in connection with the performance of services hereunder, and the Contracting Airlines shall indemnify the Operator from and against any liabilities, accruing after the date of such termination, under any such lease so assigned. Such indemnity shall be in such proportions among the Contracting Airlines as shall fairly reflect the basis on which rental payable under such lease by the Operator prior to such termination was charged to or otherwise borne by such Contracting Airlines.

ARTICLE VIII

CHARGES FOR SERVICES

8.01 The Operator shall be reimbursed for its chargeable operating cost and shall receive a fee for the services performed by it under this Agreement based upon the following percentages of annual chargeable operating cost for each fiscal year:

Annual Chargeable Operating Cost— up to and including	Per Cent for fee
\$ 150,000	7.00%
300,000	5.95%
450,000	4.90%
600,000	4.60%
750,000	4.30%
900,000	3.70%
1,000,000	3.35%
over 1,000,000	3.00%

The fee percentages set out in the above schedule shall apply to the entire annual chargeable operating cost opposite such fee percentage; i.e., if, for example, the annual chargeable operating cost is \$850,000, the total fee for the fiscal year involved shall be 3.70% of \$850,000.

8.02 The fee percentage of 3.00% referred to in paragraph 8.01 as applicable to an annual chargeable operating cost in excess of \$1,000,000 shall remain in effect for a period of three years from the operations commencement date. For the fourth year from the operations commencement date, the Operator's fee percentage for an annual chargeable operating cost in excess of \$1,000,000 shall be 2.75% and for the fifth year from the operations commencement date and thereafter during the term of this Agreement, the Operator's fee percentage for an annual chargeable operating cost in excess of \$1,000,000 shall be 2.50%. In the event that the operations commencement date is other than the beginning of a fiscal year, the varying fee percentages referred to in this paragraph shall, if applicable during any part of the third or fourth full fiscal year after the operations commencement date, be applied during such fiscal year in proportion to the respective periods of such fiscal year during which such varying fee percentages are in effect. For example, if the operations commencement date is July 1, 1960, and if the annual chargeable operating cost for the fiscal year beginning January 1, 1963, is \$1,100,000, then the Operator's fee will be computed by taking 3.00% of \$550,000 (or \$16,500) and 2.75% of \$550,000 (or \$15,125), for a total fee for such fiscal year of \$31,625.

8.03 The fee referred to in paragraph 8.01 shall be payable to the Operator monthly by adjusting the monthly chargeable operating cost to an annual basis in accordance with paragraph 1.16 of this Agreement.

8.04 The Contracting Airlines shall be charged with, and shall pay to the Operator, their respective portions of the chargeable operating cost for each calendar month and of the Operator's fee for such month, determined as follows:

(a) Each Contracting Airline shall be charged with the payment of that proportion of the chargeable operating cost for such month (excluding those costs covered by subparagraphs (b) and (c) of this paragraph 8.04) which the number of gallons of aviation fuel distributed from the System during such month to such Contracting Airline bears to the total number of gallons of aviation fuel distributed from the System during such month to all Contracting Airlines. In determining, for the purposes of this subparagraph (a), the number of gallons of aviation fuel distributed from the System to any Contracting Airline, or to the Contracting Airlines, during any month, the provisions of Paragraphs 4.03, 4.04 and 6.01(b) of the Interline Agreement shall be applied.

(b) Each Contracting Airline having during such month an individual use portion of the System (as defined in Paragraph 4.02 of the Interline Agreement) shall be charged with its proportion of that part of the chargeable operating cost for such month which is attributable to the maintenance and repair of, and insurance against loss or damage to, all Contracting Airlines' then individual use portions of the System. That part of the chargeable operating cost which is attributable to such maintenance, repair and insurance shall be determined in such fair and equitable manner as may be prescribed by those Contracting Airlines who at the time of determination constitute a Majority in Interest of Contracting Airlines and if at such time at least five Contracting Airlines do not then have an individual use portion of the System, also constitute a majority in number of Contracting Airlines not then having an individual use portion of the System. Such Contracting Airline's proportion of such part of such chargeable operating cost shall be the same proportion that the cost (determined as provided in Paragraph 4.02 of the Interline Agreement) of such Contracting Airline's then individual use portion of the System bears to the total cost (determined as provided in Paragraph 4.02 of the Interline Agreement) of all Contracting Airlines' then individual use portions of the System; provided, however, that if at any time any Contracting Airline's individual use portion of the System shall include any improvements, facilities and equipment, and additions thereto, constructed or installed pursuant to Paragraph 6.01(e) of the Interline Agreement, such Contracting Airline shall itself be charged with the full cost of maintenance and repair of, and insurance against loss or damage to, such improvements, facilities, equipment and additions.

(c) If the Operator shall carry on any activity involving the performance of any service referred to in Paragraph 3.02 or Article IV hereof, then those Contracting Airlines who at the time of such determination

(i) constitute a Majority in Interest of Contracting Airlines, and

(ii) also constitute, if at such time at least five Contracting Airlines (herein called non-using Contracting Airlines) do not use, and do not contemplate using, the particular type of service involved, a majority in number of the then non-using Contracting Airlines,

shall fairly and equitably determine the manner in which a Contracting Airline or other party using such particular type of service shall bear the cost of such activity, and, if appropriate, the manner of establishing such cost; provided, however, that to the extent, if any, that such determination shall involve the elimination of any item from chargeable operating cost, such elimination shall require the consent of the Operator and upon such consent such item shall be eliminated from chargeable operating cost; and further provided, that if it is appropriate for such determination to allocate among the Contracting Airlines or any thereof all or any part of the revenues of the Operator from such particular type of service, such determination shall also fairly and equitably determine the method of such allocation and the manner of payment or credit in connection therewith.

(d) In the event that any determination provided for by subparagraphs (b) or (c) of this paragraph 8.04 shall not have been made as therein provided with respect to any part of the chargeable operating cost for any month in which such determination, if made, would have been relevant in charging the Contracting Airlines with their respective proportions of the chargeable operating cost for such month, then the Operator may apply the provisions of subparagraph (a) of this paragraph 8.04 in allocating among the Contracting Airlines such part of the chargeable operating cost for such month as to which no such determination shall have been made; provided, however, that each determination provided for in such subparagraphs (b) and (c), shall be made as promptly as practicable and if, pending such determination, the Operator shall have applied the provisions of such subparagraph (a) with respect to the part of the chargeable operating cost to be covered by such determination, any such determination, when made, shall be retroactively applied and appropriate adjustments made as between the Contracting Airlines involved (the Operator having, however, no responsibility with respect to such adjustments).

(e) Each Contracting Airline shall be charged with that proportion of the Operator's fee for such month which is equal to the proportion which the chargeable operating cost for such month charged to such Contracting Airline bears to the total chargeable operating cost for such month charged to all Contracting Airlines.

Notwithstanding the foregoing provisions, in the event of any damage or destruction to or loss of any property comprising part of the System, not arising from normal wear and tear, resulting from the fault of any Contracting Airline, the cost of repairing or replacing such damaged, destroyed or lost property, in excess of the proceeds of insurance available therefor, shall be charged to and paid by such Contracting Airline.

8.05 In the event this Agreement shall be terminated by a Majority in Interest of Contracting Airlines pursuant to paragraph 14.02 prior to the expiration of a period of 36 months from the operations commencement date, each Contracting Airline shall pay to the Operator such Contracting Airline's share, if any, of an aggregate amount equal to one thirty-sixth of the Operator's accumulated development expense multiplied by the number of full calendar months remaining at the date of such termination in such 36-month period. In the event that such termination occurs after the operations commencement date, the Contracting Airlines' respective shares of such aggregate amount shall be in the same proportion as the respective amounts of chargeable operating cost payable by them pursuant to paragraph 8.04 for the six full calendar months next preceding the date of such termination (or for the period since the operations commencement date, if such date is less than six full calendar months prior to the date of such termination). In the event that such termination occurs prior to the operations commencement date, the Contracting Airlines' respective shares of such aggregate amount shall be in the same proportion as the respective amounts of rental which would be payable by them under Article III of the System Lease if rental was then payable thereunder.

Notwithstanding the foregoing provisions, the maximum aggregate amount of accumulated development expense which will be recognized for the purposes of this paragraph 8.05 shall be \$30,000, unless otherwise agreed to by a Majority in Interest of Contracting Airlines. The Operator shall, from and after the time it commences to incur expenses includible in accumulated development expense, periodically give a written report to the Contracting Airlines of the then aggregate accumulated development expense and the nature thereof.

Any amount payable by a Contracting Airline pursuant to this paragraph 8.05 shall be payable upon receipt by it of a bill from the Operator therefor.

8.06 The Contracting Airlines acknowledge that, notwithstanding the provisions of paragraph 1.13 hereof, during a period of 60 days prior to the operations commencement date, the Operator may incur certain costs of the nature referred to in paragraphs 1.13 (a), (b), (c), (d), (e), (h), (i) and (j) which are related and incidental to the hiring and training of operating personnel and preparation for the commencement of operations hereunder, and shall be entitled to reimbursement for such costs under the conditions hereinafter provided. In the event that this Agreement shall remain in force and effect at least until the end of the sixth full calendar month after the operations commencement date, or in the event this Agreement shall be terminated during the period between the operations commencement date and the end of the sixth full calendar month thereafter by a

Majority in Interest of Contracting Airlines acting pursuant to paragraph 14.02, then each Contracting Airline shall pay to the Operator such Contracting Airline's share, if any, of such costs. In either such event, the Contracting Airlines' respective shares of such costs shall be in the same proportion as the respective amounts of chargeable operating cost payable by them to the Operator pursuant to paragraph 8.04 for the first six full calendar months after the operations commencement date (or in the case of such termination, for the period from the operations commencement date to the date of such termination). Costs included in accumulated development expense, as defined in paragraph 1.17, shall not be reimbursable under this paragraph 8.06.

Any amount payable by a Contracting Airline pursuant to this paragraph 8.06 shall be payable upon receipt by it of a bill from the Operator therefor. In case this Agreement remains in force and effect until at least the end of the sixth full calendar month after the operations commencement date, the Operator's bill for any amount payable under this paragraph 8.06 shall be rendered at the same time that it renders its bill for services for such month.

ARTICLE IX

BILLS

9.01 As of the last day of each calendar month during which this Agreement is in effect (and with respect to that portion of the last month, if this Agreement terminates on a day other than the last day of a calendar month, as of the date of such termination), the Operator shall render an itemized bill to each Contracting Airline for the amount payable by it hereunder for services rendered to it hereunder during such month, after reflecting any credits allocable to it. Such amount shall become due and payable upon receipt of such bill.

9.02 The adjustment of rentals and insurance premiums payable by the Contracting Airlines to the City under the System Lease shall be in accordance with the Interline Agreement, and on or before the 10th day of each calendar month, commencing with the month next succeeding the month in which distribution of aviation fuel from the System begins, the Operator shall furnish each Contracting Airline with a statement setting forth the adjusted rental of such Contracting Airline (computed in accordance with Article IV of the Interline Agreement) for such month and any excess or deficiency thereof over or under such Contracting Airline's lease rental for such month, and also setting forth appropriate computations in accordance with said Article IV with respect to any such insurance premiums, and any payments or distributions shall be in accordance with the Interline Agreement.

9.03 Each Contracting Airline shall reimburse the Operator for all expenses (including attorney's fees) incurred by the Operator in collecting or attempting to collect delinquent accounts from such Contracting Airline.

ARTICLE X

ACCOUNTS

10.01 The Operator shall at all times keep complete and accurate books, records and accounts from which it shall determine the cost to it of services rendered hereunder and the fee payable therefor, the allocation of such cost and fee among the Contracting Airlines, the amount of any credits to be allocated among the Contracting Airlines and the allocation thereof, and the proper adjustment of rentals and insurance premiums under the Interline Agreement, and, upon request of a Majority in Interest of Contracting Airlines, shall employ a certified public accountant (who may be the certified public accountant regularly employed to audit the Operator's books) to carry out an examination of such books, records and accounts and to prepare a report thereon in such detail as a Majority in Interest of Contracting Airlines shall request. The cost of any such requested examination and report shall be a chargeable operating cost hereunder. The books, records and accounts of the Operator pertinent to this Agreement shall, at all reasonable times, be accessible to, and open for inspection, examination and audit by, each Contracting Airline and its representatives.

ARTICLE XI

INSURANCE

11.01 Pursuant to Article VIII of the System Lease, that part of the System to be constructed by the City is to be insured at all times, on and after the date upon which completion thereof is certified by the Consulting Engineer and during the term of the System Lease, under a so-called "fire and extended coverage policy or policies," which policy or policies shall specifically insure against loss or damage by fire, lightning, collision, explosion, strikes, riots, civil commotions, malicious damage, tornado and windstorm in an amount not to exceed, without consent of the Lessees under the System Lease, 80% of the full insurable value of such part of the System. Such policy or policies are to be taken out and maintained by the City and will name as insureds thereunder the City, the Contracting Airlines, and the Operator, and will provide that proceeds of such insurance shall be payable to the City, and such policies are to be delivered to the City Comptroller of the City.

11.02 Except as a Majority in Interest of Contracting Airlines may otherwise request, all System capital assets shall be insured by the Operator at all times, on and after the date upon which such assets are acquired and during the term of this Agreement, against loss or damage by fire and supplementary perils in the form being written at the time in the State of Illinois. Such insurance shall not exceed, without consent of a Majority in Interest of Contracting Airlines, 80% of the insurable value of the System capital assets being insured. All such insurance shall name as insureds thereunder the Operator and the Contracting Airlines and shall provide for waiver of subrogation rights against the City.

11.03 The Operator shall maintain in effect at all times during the term of this Agreement insurance, insuring, among others, the City, the Contracting Airlines and the Operator against all liabilities for accidents arising out of or in connection with the use and occupancy of and operations of the System by any Contracting Airline or Airlines, its or their agents, contractors and subcontractors, or by the Operator, its agents, contractors or subcontractors, except when such liability is caused by the City's negligence alone or jointly with any person other than any Contracting Airline or Airlines, its or their agents, contractors and subcontractors, or the Operator, its agents, contractors and subcontractors. Such insurance shall include the products liability and the automobile liability of the Operator and the liability of the Operator for damage to property of others in its care or custody. The Operator shall cause certificates to be furnished to the City and each of the Contracting Airlines, naming, among others, the City, the Contracting Airlines, and the Operator as insureds thereunder and certifying that such insurance is in full force and effect and that the insurer will notify each Contracting Airline and the City 10 days prior to any cancellation or change. Such insurance shall include an appropriate cross liability provision, so as to insure thereunder liability of any insured to any other insured. The insurance referred to in this paragraph shall be of the following types and (except as the Operator and a Majority in Interest of Contracting Airlines may otherwise mutually agree) in not less than the following amounts:

Comprehensive Public Liability Insurance	\$ 200,000 per person \$5,000,000 per accident
Comprehensive Property Damage Insurance	\$5,000,000 per accident
Excess Public Liability and Property Damage Insurance	\$5,000,000 per accident

11.04 The Operator shall maintain in effect at all times during the term of this Agreement, Workmen's Compensation Insurance in not less than the amount required by any applicable statute, and Employers Liability Insurance (including occupational disease) in the amount of \$500,000.

11.05 The Operator may, with the consent of a Majority in Interest of Contracting Airlines (which consent shall not be unreasonably withheld) obtain other forms of additional insurance coverage against hazards or in amounts in addition to those specified herein. If a Majority in Interest of Contracting Airlines

requests the Operator to obtain any such additional insurance, the Operator shall use its best efforts promptly to procure such insurance.

11.06 In the event of damage, destruction or loss to the System to an extent equal to or exceeding 50% of the then full insurable value of the System, either the Operator or a Majority in Interest of Contracting Airlines shall have the option, exercisable by notice given within 30 days after the occurrence of such event, to terminate this Agreement forthwith.

11.07 In the event any System capital asset is damaged, destroyed or lost, such damage, destruction or loss shall, subject to the limitation on the Operator's unamortized investment in System capital assets provided for in Article VII, be repaired or replaced by the Operator, with due diligence, unless otherwise directed in writing by a Majority in Interest of Contracting Airlines. The Operator shall apply to such repair or replacement all or so much as may be necessary of the proceeds of the insurance, if any, available to it by reason of such damage, destruction or loss. In the event that such proceeds are insufficient to defray the full cost of such repair or replacement, the deficiency shall be amortized in the same manner as the Operator's unamortized investment in such asset was being amortized. In the event that such insurance proceeds are in excess of the full cost of such repair or replacement, the Operator shall pay such excess to the Contracting Airlines, or such of them as may be involved, in such respective proportions as shall fairly reflect the basis on which amortization of such asset was charged to or otherwise borne by such Contracting Airlines prior to such repair or replacement. In the event the Operator is directed, as above referred to, not to replace the damage, destruction or loss of such System capital asset, the proceeds of insurance, if any, available to it by reason of such damage, destruction or loss shall be treated as proceeds of the sale of such asset and the provisions of paragraph 15.02 shall apply.

In the event any part of the System constructed or installed by or on behalf of any Contracting Airline or Airlines, acting individually, is damaged, destroyed or lost, such damage, destruction or loss shall be repaired or replaced by the Operator, with due diligence, unless otherwise directed in writing by such individual Contracting Airline or Airlines. The Operator shall apply to such repair or replacement all or so much as may be necessary of the proceeds of the insurance, if any, available to it by reason of such damage, destruction or loss. In the event that such proceeds are insufficient to defray the full cost of such repair or replacement, the deficiency shall be borne by such individual Contracting Airline or Airlines and, in such event, the Operator shall have no obligation to expend more than the amount available to it from the proceeds of such insurance unless arrangements, satisfactory to the Operator, shall have been made with such individual Contracting Airline or Airlines, for the payment of such deficiency. The Operator shall pay over or release to such individual Contracting Airline or Airlines any portion of such insurance proceeds not used for such repair or replacement.

11.08 All insurance required by this Article to be maintained by the Operator shall be issued by a responsible insurance company or companies, approved by a Majority in Interest of Contracting Airlines. The Operator will use its best efforts to obtain and maintain all insurance coverage required by this Agreement, and the Operator shall not be liable to the Contracting Airlines for a failure to obtain or maintain such coverage, if it is unable, despite its best efforts, to do so. The Operator may, from time to time, submit to each of the Contracting Airlines the form and content of any policy or policies of insurance obtained by it hereunder, with a statement that such policy or policies have been obtained in compliance with a provision hereof and, in such event, the Operator shall be deemed to have satisfied such provision unless, within 60 days, a Majority in Interest of Contracting Airlines shall have notified the Operator that such policy or policies are not acceptable to them.

ARTICLE XII

INTERRUPTION OF SERVICE

12.01 The Operator shall be excused from, and shall not be liable for, any impairment or interruption of service due to causes beyond its control. Such causes shall be deemed to include, without limitation, weather; fire; earthquake; explosions; epidemics; quarantine restrictions; flood; windstorm; power shortages; labor

troubles causing cessation, slow-down or interruption of work; war (whether declared or undeclared); war-like operations; insurrections; acts of the public enemy; civil commotion; vandalism; malicious mischief; riot; rebellion; embargoes; transportation delays, losses or damages (other than in the System); shortages of labor or material; priorities, materials controls, court orders, regulations, rulings or acts of any governmental agency now existing or hereafter in effect (not arising from a breach of the Operator's obligations under this Agreement); and acts of God. Nevertheless, in the event of any impairment or interruption of service resulting from such cause or causes, the Operator shall use its best efforts to eliminate such impairment or interruption as soon as possible and in the interim to provide such services as may practicably be performed by the Operator.

12.02 Except to the extent that such liability shall be compensated for by insurance carried pursuant to the terms hereof, the Operator shall be under no liability to any Contracting Airline for mail fines, for delay to scheduled or non-scheduled arrivals or departures of cargo or passenger aircraft or equipment owned or operated by any Contracting Airline, or for loss of full or partial use and occupancy of any such aircraft.

ARTICLE XIII

COOPERATION

13.01 Each Contracting Airline shall give the Operator reasonable advance notice of its requirements, changes in its schedules, types of aircraft to be flown, extra sections and delays in plane arrivals and departures to the extent that these matters affect fuel demands or are otherwise pertinent to the Operator's services under this Agreement. Each Contracting Airline shall also give such notices to its Suppliers concerning the Operator's authorities and duties hereunder as may be required to permit performance by the Operator of the services to be performed by it hereunder.

ARTICLE XIV

TERM

14.01 The term of this Agreement shall commence on the date first hereinabove written and, unless sooner terminated in accordance with its provisions, shall run thereafter concurrently with the term of the System Lease. This Agreement, however, shall become effective only upon its execution and delivery by the Operator and by all of the Contracting Airlines hereinbefore named.

14.02 Subject to the provisions of paragraphs 7.04, 7.06, 8.05 and 8.06, either the Operator or a Majority in Interest of Contracting Airlines shall have the right to terminate this Agreement at any time, and for any cause whatsoever, upon the giving of at least 90 days' prior written notice. The Operator shall not have the right under this paragraph 14.02 to terminate this Agreement with respect to less than all of the Contracting Airlines without the prior written consent of all the Contracting Airlines.

14.03 In the event that any Contracting Airline abandons the conduct and operation of its air transportation service at the Airport and so long as such abandonment continues, this Agreement may, at the Operator's option, be terminated at any time with respect to such Contracting Airline by notice given to it of such termination, but this Agreement shall nevertheless continue in full force and effect with respect to all other Contracting Airlines. In the event of any such termination of this Agreement as to any Contracting Airline, it shall, as of the date of such termination, cease to be entitled to exercise any of the rights of a Lessee under the System Lease or to have assigned to it any portion of the System.

14.04 In the event that any Contracting Airline shall fail to pay to the Operator any amount payable pursuant hereto by such Contracting Airline, or shall fail to perform any other obligation to be performed by it hereunder, the Operator may give such Contracting Airline notice specifying such failure and if such failure shall continue for 30 days after the receipt of such notice by such Contracting Airline, the Operator may, thereafter and so long as such failure shall continue, forthwith terminate or suspend the operation of this

Agreement with respect to such Contracting Airline, but in such event this Agreement shall nevertheless continue in full force and effect with respect to all other Contracting Airlines. In the event of any such termination or suspension of the operation of this Agreement as to any Contracting Airline, it shall, as of the date of such termination or suspension (and in case of such suspension, so long as such suspension shall continue) cease to be entitled to exercise any of the rights of a Lessee under the System Lease or to have assigned to it any portion of the System. Any suspension of the operation of this Agreement pursuant to this paragraph shall in no way preclude the exercise by the Operator of any right it may have to terminate this Agreement pursuant to this paragraph. The Operator, however, shall have no right to terminate or suspend the operation of this Agreement with respect to any Contracting Airline on account of non-payment of a bill of the Operator which is disputed in good faith by such Contracting Airline, if such Contracting Airline pays to the Operator, prior to the expiration of 30 days from the giving of notice from the Operator specifying failure to pay such bill, the undisputed portion of such bill, or 75% of the amount of such bill, whichever is the greater.

14.05 In the event that the Operator shall make a general assignment for the benefit of its creditors or shall admit in writing its inability to meet its debts as they mature, or shall file a petition in bankruptcy, or shall commence voluntary dissolution, or in the event it shall file a proceeding, petition or answer seeking or consenting to its reorganization or the readjustment of its indebtedness under any present or future Federal bankruptcy law or other Federal or state law, or the appointment of a receiver, trustee or liquidator of all or substantially all of its property, or in the event, under circumstances not covered by the foregoing provisions, a judgment, decree or order shall be entered by a court of competent jurisdiction determining that proceedings for reorganization, arrangement, adjustment, composition, liquidation, dissolution or winding up or any similar relief under any present or future Federal bankruptcy law or other Federal or state law have been properly instituted against the Operator or appointing a receiver, trustee or liquidator of all or substantially all of its property, and such judgment, decree or order shall remain unstayed and in effect for 30 days, then, so long as any such event shall continue, this Agreement may be terminated forthwith by a Majority in Interest of Contracting Airlines.

14.06 In the event that the Operator shall fail to perform any obligation to be performed by it hereunder, a Majority in Interest of Contracting Airlines may give the Operator notice specifying such failure and if any such failure shall continue for 30 days after the receipt of such notice by the Operator, a Majority in Interest of Contracting Airlines may, thereafter and so long as such failure shall continue, forthwith terminate this Agreement.

14.07 In the event that the Federal Government, the State Government or any agency, instrumentality or political subdivision thereof, takes in condemnation or appropriates the System, or a substantial part thereof, this Agreement shall be terminated on the 30th day after the date of such taking or appropriation.

14.08 If the System Lease is terminated as to all Contracting Airlines who are Lessees thereunder, for any reason, this Agreement shall be terminated as to all Contracting Airlines as of the effective date of such termination of the System Lease. If the System Lease is terminated as to any Contracting Airline which is a Lessee thereunder, for any reason, prior to the expiration of the term of this Agreement as to the other Contracting Airlines, this Agreement shall be terminated as to such Contracting Airline as of the date of such termination of the System Lease.

14.09 The termination of this Agreement for any reason whatsoever shall not affect any accrued rights or liabilities (including any liabilities incurred by the Operator as a part of chargeable operating cost but not payable until after the date of such termination) of any Contracting Airline or the Operator at the time of such termination. In the event of the termination of this Agreement as to any Contracting Airline by reason of any failure to perform any obligation to be performed by it hereunder, the provisions of Paragraph 4.08 of the Interline Agreement shall continue in effect.

ARTICLE XV
SALE OR DISPOSITION OF SYSTEM
CAPITAL ASSETS

15.01 The Operator shall determine when any System capital asset should be sold or otherwise disposed of because of obsolescence, physical deterioration, destruction or otherwise; provided, however, before selling or disposing of any System capital asset in which the Operator's unamortized investment is in excess of \$500, the Operator shall obtain the approval of a Majority in Interest of Contracting Airlines (or, if the amortization of the Operator's investment in such asset was not chargeable to all Contracting Airlines, the approval of a majority of the Contracting Airlines chargeable with such amortization).

15.02 If the Operator sells or otherwise disposes of any System capital asset, then the Operator's unamortized investment in such asset shall thereupon be reduced by the net proceeds of such sale or disposition. The Operator's unamortized investment, if any, in such asset, after such reduction, shall be amortized over a period of six months, unless such unamortized investment is less than \$500, in which event the amount of such unamortized investment shall be payable to the Operator upon receipt by the Contracting Airlines involved of a bill therefor which shall be rendered on the first day of the month following such sale or disposition. Such amortization or payment shall be charged to the Contracting Airlines, or such of them as may be involved, in such respective proportions as shall fairly reflect the basis on which amortization of the Operator's investment in such asset was charged to or otherwise borne by such Contracting Airlines prior to the date of such sale or disposition. If the net proceeds of sale or disposition of such asset shall exceed the Operator's unamortized investment in such asset immediately prior to such sale or disposition, the excess shall be distributed to the Contracting Airlines in the respective proportions referred to in the immediately preceding sentence.

ARTICLE XVI
ADDITIONAL AIR CARRIERS

16.01 As provided in Article I of the System Lease, and subject to the conditions contained therein and in the Interline Agreement, it is the intention of the Contracting Airlines that other Airline Parties shall have the right to participate in the use of the System and become parties to the Interline Agreement and this Agreement. Any such Airline Party becoming a party to the Interline Agreement and this Agreement shall thereafter be deemed to be a "Contracting Airline" hereunder.

ARTICLE XVII
OTHER ACTIVITIES OF THE OPERATOR

17.01 The Operator shall not, except as provided in this paragraph 17.01, engage in any activities at or in the vicinity of the Airport other than the performance of services under this Agreement. This Agreement shall not, however, prevent the Operator from engaging, subject to any applicable limitations provided in paragraph 17.02, in any one or more of the following activities in addition to the performance of services under this Agreement:

- (a) activities carried on outside the Airport;
- (b) activities carried on at the Airport in connection with the performance of services by the Operator with respect to the tank farm premises at the Airport leased under that certain Lease, dated October 28, 1955, from the City to American Airlines, Inc., including acceptance of an assignment of such Lease to the Operator from American Airlines, Inc., as lessee thereunder, so long as such activities are approved by the Airline Tank Farm Committee under that certain Interline Agreement, dated October 29, 1955;
- (c) activities (which are not referred to in subparagraph (b) above) carried on at the Airport prior to the operations commencement date; and
- (d) activities (which are not referred to in subparagraph (b) above and which shall not have been approved pursuant to Article IV) carried on at the Airport after the operations commencement date and not involving or related to the sale or furnishing of aviation fuel or other associated products to any person, firm or corporation.

The carrying on by the Operator of any activities referred to in subparagraphs (a) through (d) of this paragraph 17.01 shall not be deemed to constitute performance of services under this Agreement.

17.02 The Operator in carrying on any activities referred to in subparagraphs (a) through (d) of paragraph 17.01 shall be subject to the following limitations:

(a) no such activities shall be carried on by the Operator in the vicinity of the Airport involving the performance of any services for any Contracting Airline, and no such activities shall be carried on by the Operator at the Airport, if in either case as a result thereof the Operator's ability to perform any services under this Agreement for any Contracting Airline would be impaired;

(b) in carrying on any activities outside the Airport in connection with the handling for any Contracting Airline of aviation fuel or other associated products intended for use at the Airport, or any activities referred to in subparagraphs (b) and (c) of paragraph 17.01, the Operator may use any part of the System, and any other property or supplies acquired, or any personnel employed, by the Operator for the purpose of performance of any services under this Agreement, but only under such conditions that the expenses fairly attributable to the carrying on of such activities shall be excluded from chargeable operating cost and from the Operator's unamortized investment in System capital assets;

(c) all expenses fairly attributable to the carrying on of activities referred to in subparagraph (b) of paragraph 17.01 shall be borne by the parties for whom such activities are carried on, all in such manner as they and the Operator shall agree upon and as shall conform to any applicable requirements of the Interline Agreement referred to in such subparagraph; provided, however, the foregoing is subject to the provisions of Paragraph 4.01(c) of the Interline Agreement, dated as of January 1, 1959, and the Contracting Airlines agree that for the purposes of such Paragraph 4.01(c), distribution of aviation fuel from the System shall in no event be deemed to commence prior to the operations commencement date; and

(d) the Operator may not use in connection with the carrying on of any such activities (other than those referred to in subparagraph (b) of this paragraph 17.02) any part of the System, or any other property or supplies the cost of which is included in whole or in part chargeable operating cost, or any personnel whose compensation is included in whole or in part in chargeable operating cost.

ARTICLE XVIII

AGREEMENT SUBJECT TO EXISTING AGREEMENTS

18.01 This Agreement is subject to the System Lease and to the Interline Agreement. The Operator shall not be entitled to exercise any rights with respect to the System inconsistent with the provisions of the System Lease or Interline Agreement.

ARTICLE XIX

NOTICES, CONSENTS AND APPROVALS

19.01 Any notice, report or information from any Contracting Airline to the Operator which may be or is required to be given under this Agreement shall be in writing and may be mailed to the Operator, and if mailed registered or certified mail, postage prepaid, addressed to the Operator at its office at the Airport (or to such other address as it may designate from time to time by notice to the party giving such notice) shall be deemed given when so mailed. Any notice, report or information from the Operator to any Contracting Airline which may be or is required to be given under this Agreement shall be in writing and may be mailed to such Contracting Airline, and if mailed registered or certified mail, postage prepaid, addressed to such Contracting Airline at such address and to the attention of such official, if any, as such Contracting Airline may designate by notice to the Operator (or, if no such designation shall have been made, to the address and to the attention of such official, if any, listed for such Contracting Airline in Section 15.06 of the System Lease), shall be deemed given when so mailed. Notwithstanding the foregoing, the notices provided for in paragraphs 14.04, 14.06 and 19.04 shall not be effective until received. In case any notice shall be given to any Contracting Airline at an address other than its office at the Airport, a copy of such notice shall also be delivered or mailed to its office at the Airport. Notwithstanding the foregoing provisions, receipts and notices referred to in paragraph 3.03 shall be addressed to a Contracting Airline as provided in such paragraph.

Any notice which may be or is required to be given under this Agreement from any Contracting Airline or Airlines to any other Contracting Airline or Airlines may be given in such manner as may be prescribed by the Fuel System Committee under the Interline Agreement.

19.02 Any consent, approval or determination of the Operator or any Contracting Airline which may be or is required to be given under this Agreement shall be in writing.

19.03 If the Chairman of the Fuel System Committee under the Interline Agreement shall at any time by written notice to the Operator state

(a) that a Majority in Interest of Contracting Airlines has consented to or approved, or made any determination with respect to, any matter specified in such notice;

(b) in case of any such determination pursuant to paragraph 8.04(b), (i) that it is not necessary under the provisions of such paragraph for a majority in number of Contracting Airlines not then having an individual use portion of the System to join in such determination, or (ii) that such majority has joined in such determination; or

(c) in case of any such determination pursuant to paragraph 8.04(c), (i) that it is not necessary under the provisions of such paragraph for a majority in number of non-using Contracting Airlines to join in such determination, or (ii) that such majority has joined in such determination;

then the Operator shall be entitled to conclusively assume the correctness of such statements made in such notice and may treat such notice as a written consent, approval or determination of such Contracting Airlines. The Operator may rely upon any document believed by it, in good faith, to have been signed by the Chairman of the Fuel System Committee.

19.04 Any consent, approval or determination other than a termination of this Agreement which may be or is required to be given or made hereunder may be revoked at any time by the party or parties who at the time of such revocation would be entitled to give such consent or approval or make such determination, if it were then originally given or made; provided, however:

(a) in no case shall such revocation be effective prior to 30 days (or such shorter period as may be approved by all parties affected by such revocation) after notice of such revocation shall have been received by the party or parties affected by such revocation;

(b) no such revocation shall in any way affect any action taken, pursuant to the consent, approval or determination being revoked, prior to the effective date of such revocation;

(c) the party or parties giving or making any such consent, approval or determination may, in connection therewith, specify conditions that would be applicable in the case of any revocation thereof, and in such event, no revocation of such consent, approval or determination shall be effective unless such conditions are complied with; and

(d) no such right of revocation shall exist with respect to the specification of the operations commencement date as provided for in paragraph 1.10.

19.05 Any determination made under this Agreement by or on behalf of the Contracting Airlines as a group, whether by a Majority in Interest of Contracting Airlines or otherwise, shall, as between the Contracting Airlines, be on a fair and equitable basis, giving due consideration, to the extent practicable, to the requirements and circumstances of the respective Contracting Airlines.

ARTICLE XX

ARTICLE HEADINGS

20.01 The Article headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Agreement.

ARTICLE XXI

MISCELLANEOUS

21.01 The failure of any Contracting Airline or Airlines or of the Operator to exercise any power or right shall not operate as a waiver thereof, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof, or the exercise of any other power or right.

21.02 This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

ARTICLE XXII

BENEFITS AND OBLIGATIONS ACCRUE TO SUCCESSORS

22.01 The Operator may not assign this Agreement without the consent of a Majority in Interest of Contracting Airlines, but without the consent of any of the Contracting Airlines may assign moneys due or to become due under this Agreement; provided, however, that nothing in this paragraph 22.01 shall prevent the assignment of this Agreement by the Operator to a corporation with which it may merge or be consolidated or which may acquire substantially all of its business and which shall assume the obligations of the Operator hereunder.

22.02 No Contracting Airline may assign this Agreement without the consent of the Operator and the other Contracting Airlines; provided, however, that nothing in this paragraph 22.02 shall prevent the assignment of this Agreement by any Contracting Airline to a corporation with which it may merge or be consolidated or which may acquire substantially all of its business and which shall assume the obligations of such Contracting Airline hereunder.

22.03 All the terms and conditions of this Agreement shall accrue to and be binding upon the successors and assigns of the respective parties hereto.

ARTICLE XXIII

CAB FILING

23.01 United Air Lines, Inc. shall file this Agreement with the Civil Aeronautics Board pursuant to Section 412 of the Federal Aviation Act of 1958 and each of the other Contracting Airlines by execution hereof concurs in such filing.

ARTICLE XXIV

COUNTERPARTS

24.01 This Agreement may be executed in any number of counterparts, and by the various parties of the second part on separate counterparts, each of which counterparts shall be executed by the Operator, all of which, taken together, shall constitute one and only one instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

LOCKHEED AIR TERMINAL, INC.

By J. N. KATENHAUSEN
Vice President and Treasurer

ATTEST: D. M. SIMMONS
Secretary

AMERICAN AIRLINES, INC.

By MARSHALL D. KOCHMAN
Vice President

ATTEST: A. A. PARADIS
Assistant Secretary

BRANIFF AIRWAYS, INCORPORATED

By R. V. CARLETON
Vice President

ATTEST: C. G. ADAMS
Secretary

CAPITAL AIRLINES, INC.

By ROBERT J. WILSON
Vice President

ATTEST: HAYES DEVER
Secretary

CONTINENTAL AIR LINES, INC.

By H. L. LAWRENCE
Executive Vice President

ATTEST: GEORGE J. M. KELLY
Secretary

DELTA AIR LINES, INC.

By C. H. DOLSON
Executive Vice President—Operations

ATTEST: TODD COLE
Assistant Secretary

EASTERN AIRLINES, INC.

By MAURICE LETHBRIDGE
Assistant Vice President

ATTEST: R. S. LIPP
Secretary

THE FLYING TIGER LINE, INC.

By FRANK B. LYNOTT
Vice President

ATTEST: O. R. BURGHARDT
Secretary

LAKE CENTRAL AIRLINES, INC.

By D. S. GETCHELL
Vice President

ATTEST: T. L. CORY
Assistant Secretary

NORTH CENTRAL AIRLINES, INC.

By BERNARD SWEET
Vice President and Treasurer

ATTEST: JOHN P. DOW
Assistant Secretary

NORTHWEST AIRLINES, INC.

By DALE MERRICK
Assistant Vice President—Properties

ATTEST: A. E. FLOAN
Vice President and Secretary

OZARK AIR LINES, INC.

By JOSEPH H. FITZGERALD
President

ATTEST: ARTHUR G. HEYNE
Secretary

PAN AMERICAN WORLD AIRWAYS, INC.

By H. E. GRAY
Executive Vice President

ATTEST: JOSIAH MACY JR.
Assistant Secretary

TRANS WORLD AIRLINES, INC.

By R. M. DUNN
Vice President

ATTEST: C. W. HERRE
Assistant Secretary

TRANS-CANADA AIR LINES

By F. T. WOOD
Administrative Assistant to President

ATTEST: J. M. YOUNG
Assistant Secretary

UNITED AIR LINES, INC.

By CURTIS BARKES
Vice President

ATTEST: S. P. MARTIN
Secretary

O'HARE FUELING SYSTEM

AGREEMENT AMONG PARTICIPATING AIRLINES

AGREEMENT made as of the 1st day of January, 1959 by and between the following air carriers:

AMERICAN AIRLINES, INC.
BRANIFF AIRWAYS, INCORPORATED
CAPITAL AIRLINES, INC.
CONTINENTAL AIR LINES, INC.
DELTA AIR LINES, INC.
EASTERN AIR LINES, INC.
THE FLYING TIGER LINE, INC.
LAKE CENTRAL AIRLINES, INC.
NORTH CENTRAL AIRLINES, INC.
NORTHWEST AIRLINES, INC.
OZARK AIR LINES, INC.
PAN AMERICAN WORLD AIRWAYS, INC.
TRANS WORLD AIRLINES, INC.
TRANS-CANADA AIR LINES
UNITED AIR LINES, INC.

(hereinafter referred to collectively as the "Participating Airlines" and individually as a "Participating Airline");

WITNESSETH:

WHEREAS, the Participating Airlines are conducting or intend to conduct air transportation operations at Chicago-O'Hare International Airport (hereinafter referred to as the "Airport") and contemporaneously herewith have entered into a Fueling System Lease with the City of Chicago (hereinafter referred to as the "City"), dated as of January 1, 1959 (hereinafter referred to as the "System Lease"), a copy of which is attached hereto as Exhibit "A," which Lease is to become effective as provided in Section 15.02 thereof;

WHEREAS, the System Lease, among other things, provides that the City, subject to certain conditions, will construct on the premises demised thereunder an aviation fuel storage and distribution system and related facilities and improvements (said premises, together with any improvements, facilities and equipment now or thereafter located thereon, and no matter by whom constructed or installed, being hereinafter referred to as the "System") which, under the terms of the System Lease, the Participating Airlines will have the right to operate directly or through another designated by them;

WHEREAS, the Participating Airlines acting through the Chicago Airlines Top Committee have selected an independent contractor (hereinafter, together with any successor thereto, referred to as the "Operator") to operate the System and intend to enter into a service contract with the Operator for such purpose; and

WHEREAS, the Participating Airlines desire to establish certain conditions in respect to their use and operation of the System and to their obligations under the System Lease;

Now, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

FUEL SYSTEM COMMITTEE

1.01 For the purpose of conducting the operation of the System in an orderly and efficient manner, a committee (hereinafter referred to as the "Fuel System Committee") representing the Participating Airlines and consisting of one representative of each of the Participating Airlines (which representative may include such alternates as a Participating Airline may desire to designate) shall be established. Meetings shall be held and a chairman elected in accordance with procedures to be established by the Committee.

1.02 Action taken by the Fuel System Committee shall be by the affirmative vote of a Majority in Interest of Participating Airlines. The term "Majority in Interest of Participating Airlines," as used in this Agreement, shall mean at any time the then Participating Airlines who (a) constitute at least one-half ($\frac{1}{2}$) of the then Participating Airlines, and (b) who (i) if rental is then payable under the provisions of Article III of the System Lease, are, under the provisions of subparagraphs (a) and (b) of Paragraph 4.01 hereof, to be charged for the payment of over fifty per cent (50%) of the rental payable during the then current calendar month under Article III of the System Lease and (ii) if rental is not then payable under the provisions of Article III of the System Lease, would be obligated under the provisions of said Article III if rental was then payable thereunder, to pay over fifty per cent (50%) of such rental.

1.03 Action taken by the Participating Airlines (acting through the Fuel System Committee or otherwise) in respect of the following matters shall require the affirmative vote of such Majority in Interest of Participating Airlines:

- (a) Approval of the form of service contract with the Operator or any amendment thereto;
- (b) Designation of a new Operator to operate the System in the event of termination of the aforesaid contract;
- (c) Amendment or termination of the System Lease; or
- (d) Amendment or termination of this Agreement or assignment by a Participating Airline of its rights hereunder.

1.04 On approval of the form of service contract with the Operator, each of the Participating Airlines at the direction of the Fuel System Committee agrees to enter into such contract with the Operator.

ARTICLE II

TERM

The term of this Agreement shall commence on the date hereof and shall run thereafter concurrently with the term of the System Lease.

ARTICLE III

USE OF THE SYSTEM

3.01 Prior to the date when the Tank Farm Area (hereinafter referred to as the "primary bulk storage area"), or any portion thereof, and transfer lines extending therefrom to the Truck Fill Stand Area, as referred to in Section 1.01 of the System Lease, are available for occupancy and use by the Lessees thereunder, the Fuel System Committee shall assign to the Participating Airlines a quantity of tankage capacity in the primary bulk storage area or such Truck Fill Stand Area. Prior to the date when the Satellite Area (hereinafter referred to as the "satellite storage areas"), as referred to in said Section 1.01, or any portion thereof, and transfer lines extending thereto are available for occupancy and use by the Lessees under the System Lease, the Fuel System

Committee shall assign to such of the Participating Airlines as shall be entitled thereto under the provisions hereof, separate tanks in the satellite storage areas. Assignment of a quantity of tankage capacity in the primary bulk storage area or such Truck Fill Stand Area and assignment of separate tanks in the satellite storage areas, and any changes in such assignments from time to time, shall be on a fair and equitable basis and shall, to the extent practicable, afford each of the Participating Airlines an amount of advanced storage capacity proportionate to their indicated gallonage requirements, it being understood that under such basis of assignment certain Participating Airlines with lower indicated gallonage requirements will not be assigned separate tanks in the satellite storage areas.

3.02 In the primary bulk storage area or such Truck Fill Stand Area, aviation fuel of the same supplier and of the same specification delivered for the account of two or more Participating Airlines may be commingled, with the Operator assuming the obligation to account to each of such Participating Airlines for fuel received for its account. Nothing herein contained, however, shall prohibit two or more of the Participating Airlines from commingling any of their fuel in a separate tank or tanks upon their mutual agreement to do so, regardless of differences in suppliers or specifications.

3.03 Commencing the later of January 1, 1962, or the date when the System is available for use by the Participating Airlines, each Participating Airline agrees that to the extent that there is sufficient storage and distribution facilities available to it in the System, it will deliver or cause to be delivered into the System all aviation fuel used by it at the Airport.

ARTICLE IV

ADJUSTMENT OF RENTALS, ETC.

4.01 Under Article III of the System Lease ground rental and additional rental payable by the Participating Airlines to the City has been apportioned among the Participating Airlines according to the total gallons of aviation fuel delivered to each of the Participating Airlines at the Airport and at Midway Airport, Chicago, during the period September 1, 1957 through August 31, 1958. Each Participating Airline agrees to pay to the City, when due, all rental payable by such Participating Airline under Article III of the System Lease. The Participating Airlines as between themselves desire to adjust hereunder payments of rental under the System Lease in part on the basis of actual gallons of aviation fuel distributed to each of them from the System and in part on the basis of the cost of "individual use" portions of the System (as defined in Paragraph 4.02 hereof). Accordingly, the Participating Airlines agree as follows:

(a) Each Participating Airline shall, as between itself and the other Participating Airlines, be charged with the payment of that proportion of (i) the total ground rental for each month, commencing January, 1962, payable to the City by all Lessees under the System Lease pursuant to Article III thereof, and (ii) that part of the total additional rental for each month, commencing January, 1962, payable to the City by all Lessees under the System Lease pursuant to Article III thereof which is attributable to the "common use" portion of the System (as defined in Paragraph 4.02 hereof), which the number of gallons of aviation fuel distributed from the System during the month preceding the month in question to such Participating Airline bears to the total number of gallons of such fuel so distributed in such preceding month to all the Participating Airlines; provided, however, if distribution of aviation fuel from the System has not commenced during or prior to such preceding month, the rental referred to in clauses (i) and (ii) above shall be apportioned between the Participating Airlines on the basis of the respective amounts of rental payable by them under Article III of the System Lease.

(b) Each Participating Airline having at the time an "individual use" portion of the System (as defined in Paragraph 4.02 hereof) shall, as between itself and the other Participating Airlines, be charged with the payment of that proportion of the total additional rental for each month, commencing January 1, 1962, payable to the City by all Lessees under the System Lease pursuant to Article III thereof which is attributable to all Participating Airlines' then "individual use" portions of the System, which the cost of such Participating Airline's then "individual use" portion of the System bears to the total cost of all Participating Airlines' then "individual use" portions of the System.

(c) In the event distribution of aviation fuel from the System has commenced prior to December 1, 1961, then for the period beginning with the month next following the date of commencement of such distribution and ending December 31, 1961, each Participating Airline shall, as between itself and the other Participating Airlines, be charged with the payment of that proportion of the monthly rental referred to in Section 15.03 of the System Lease which the number of gallons of aviation fuel distributed from the System during the month preceding the month in question to such Participating Airline bears to the total number of gallons of such fuel so distributed in such preceding month to all the Participating Airlines.

4.02 The "common use" portion of the System shall, for the purposes of Paragraph 4.01 hereof, be deemed to include at any time all portions thereof other than the Participating Airlines' then "individual use" portions thereof (as herein defined) and the cost of such common use portion shall be the City's cost of construction thereof as set forth in the information furnished by the Consulting Engineer under Section 4.01 of the System Lease. A Participating Airline's "individual use" portion of the System at any time shall, for the purposes of Paragraph 4.01 hereof, be deemed to include the pumps, filters and related equipment (excluding, however, the satellite tanks) in connection with each separate tank then assigned to it hereunder in the satellite storage areas, the transfer lines connecting said tanks to the hydrants on the passenger or cargo aircraft loading ramps then leased to such Participating Airline by the City and said hydrants. The cost of each such "individual use" portion of the System shall be the City's cost of construction thereof as set forth in the aforesaid information furnished by the Consulting Engineer. In the event two or more Participating Airlines at any time share a Participating Airline's "individual use" portion of the System, the cost thereof shall be allocated and, if required, reallocated from time to time, among such Participating Airlines as they may agree upon.

The amount of additional monthly rental payable under the System Lease attributable to the "common use" portion of the System shall be deemed to be that portion thereof which bears the same ratio to the total of said monthly additional rental as the cost of the "common use" portion of the System bears to the total cost of the System (as established by the aforesaid information furnished by the Consulting Engineer). The difference between said amount and such total monthly additional rental shall be deemed to be attributable to all Participating Airlines' "individual use" portions of the System and shall be apportioned as provided in Paragraph 4.01(b) hereof. In the event the provisions of Paragraph 4.01 hereof shall be applicable during any period prior to the establishment of the cost of the "common use" portion of the System, or the total cost of the System, estimates as to such costs shall be made by the Fuel System Committee and shall be used during such period for the purposes of such Paragraph 4.01. Upon establishment of such costs, proper adjustment shall be made between the Participating Airlines so as to promptly correct any over or under charge made hereunder to any Participating Airline on the basis of such estimates of costs as compared to the costs as established.

4.03 In the event that for any full calendar month after distribution of aviation fuel from the System to Participating Airlines shall have commenced, none of the Participating Airlines has any aviation fuel distributed to it from the System, each Participating Airline shall, for the purposes of Paragraph 4.01 hereof be deemed to have had so distributed to it in such month the average number of gallons of aviation fuel so distributed to it in each of the last preceding six months during which any aviation fuel was so distributed to it.

4.04 Except as provided in Paragraph 4.03 hereof, if after distribution of aviation fuel from the System to Participating Airlines shall have commenced, any Participating Airline shall for a period of at least 15 consecutive days in any calendar month (whether or not such Participating Airline shall then be conducting operations at the Airport) have distributed to it from the System a daily average number of gallons of aviation fuel which is less than 25% of the daily average number of gallons of aviation fuel so distributed to it in each of the last preceding six months during which aviation fuel was so distributed to it, then such Participating Airline shall, for the purposes of subparagraph (a) of Paragraph 4.01 hereof, be deemed to have had so distributed to it whichever of the following results in the greater rental charge hereunder to such Participating Airline: (i) the actual number of gallons of aviation fuel so distributed to it for the month in question, or (ii) the average number of gallons of aviation fuel so distributed to it in each of the last preceding six months during which aviation fuel was so distributed to it.

4.05 For the purposes of this Paragraph 4.05, the term "lease rental" means the amount of rental payable by a Participating Airline pursuant to Article III of the System Lease, and the term "adjusted rental" means

the amount of rental with which a Participating Airline is charged under the provisions of Paragraph 4.01 hereof. On or before the first day of each month, commencing January 1, 1962, each Participating Airline shall advise the Operator in writing as to whether or not the lease rental payable by such Participating Airline for such month has been paid in full by it to the City. On or before the 10th day of each month, commencing January 10, 1962, the Operator shall furnish each Participating Airline with a statement setting forth the adjusted rental of such Participating Airline for such month and any excess or deficiency thereof over or under such Participating Airline's lease rental for such month. Any excess shown in such statement of a Participating Airline's adjusted rental for any month over its lease rental for such month shall immediately upon receipt by such Participating Airline of such statement be paid by it to the Operator. All payments of such excess with respect to any month which shall be received by the Operator from any Participating Airlines shall promptly be distributed by the Operator to those Participating Airlines whose lease rental for such month exceeds their adjusted rental for such month, and who have paid in full to the City their lease rental for such month and all prior months; any such distribution by the Operator to the Participating Airlines thereunto entitled under the foregoing provisions shall be made to them in the respective proportions of the amounts of their respective excesses of lease rental referred to in this sentence and regardless of whether or not the aggregate amount of such excesses equals or is more or less than the amount of such distribution. In making any distribution hereinabove provided for with respect to any month, the Operator shall be entitled to conclusively assume that the only Participating Airlines who have paid in full to the City their lease rentals for such month are those Participating Airlines from whom statements to such effect have been received by the Operator on or before the first day of such month. Nothing herein contained, however, shall preclude the Operator from obtaining any other information it may desire concerning whether or not any Participating Airline has paid in full to the City such Participating Airline's lease rental for any month, and in determining this fact, the Operator shall be entitled to rely upon any information which it believes to be genuine.

In the event any Participating Airline who shall have failed to pay in full to the City such Participating Airline's lease rental for any month, and thereby shall have failed to receive any portion (to which it would have been entitled if it had made such payment) of any distribution made by the Operator pursuant to this Paragraph 4.05, shall subsequently pay such lease rental to the City, appropriate adjustment shall be made between such Participating Airline and the other Participating Airlines receiving such distribution to credit the first mentioned Participating Airline with its proportionate share of such distribution.

Any amount payable with respect to any month by any Participating Airline to the Operator pursuant to the provisions of this Paragraph 4.05 shall, if not paid within fifteen days after receipt by such Participating Airline of a statement from the Operator therefor, bear interest, payable to the Operator at the rate of 7% per annum from such fifteenth day until paid, and such interest when received by the Operator shall be distributed among the Participating Airlines entitled to distribution with respect to such month in the same manner as distribution with respect to such month is hereinabove provided for.

On or before the 10th day of each month during the period ending December 31, 1961 referred to in subparagraph (c) of Paragraph 4.01 hereof, if such subparagraph is applicable, the Operator shall furnish each Participating Airline with a statement of the adjusted rental of such Participating Airline for such month, and the amount thereof shall be paid by such Participating Airline to the Operator immediately upon receipt of such statement.

4.06 The cost of any insurance payable by the Participating Airlines to the City under Section 8.03 of the System Lease shall be paid by each Participating Airline to the City in accordance with such Participating Airline's obligations under such Section 8.03. Adjustment of such payments, to allocate the same among the Participating Airlines, shall be made on the same basis and substantially in the same manner as is provided in Paragraph 4.05 hereof with respect to rentals referred to therein, except that the "adjusted rental" of each Participating Airline shall be the average of the rentals with which it is charged under the provisions of Paragraph 4.01 hereof for each month during the twelve month period (or any lesser period for which rental is charged to it pursuant to such provisions) next preceding the date on which the cost of such insurance is payable, as aforesaid, by the Participating Airlines to the City.

4.07. Any amounts not referred to in Paragraphs 4.05 or 4.06 hereof, payable by any Participating Airline under the provisions of the System Lease, or required to be expended in the performance of the obligations of

any Participating Airline under the System Lease (excepting, however, taxes on the personal property of an individual Participating Airline), shall be provided for and allocated among the Participating Airlines as provided for in the service contract with the Operator.

4.08 In the event any Participating Airline defaults in the payment of any rental or other charges payable by it under the System Lease, this Agreement or the service contract with the Operator, or otherwise defaults in the performance of any of its obligations thereunder or hereunder and by reason thereof any other Participating Airline then or thereafter incurs costs or expenses in excess of those which would have been incurred if such default had not occurred, then each such Participating Airline shall have a claim against the defaulting Participating Airline to the extent of such costs and expenses and the defaulting Participating Airline shall, upon demand, pay such claim.

ARTICLE V

EXISTING TANK FARM

5.01 American Airlines, Inc., a Participating Airline hereunder (hereinafter referred to as "American") has heretofore entered into a lease with the City dated October 28, 1955 in respect to certain tank farm premises at the Airport, and, as custodian thereof on behalf of the air carrier users, all of whom are Participating Airlines hereunder, contemporaneously executed a certain Interline Agreement dated October 29, 1955 with such users. Subject to obtaining the consent of the appropriate official of the City, American shall, upon the direction of the Airline Tank Farm Committee established under said Interline Agreement, assign said Lease to the Operator, to which assignment the other Participating Airlines consent. Upon such assignment, the duties and rights of American as custodian under said Interline Agreement shall terminate, but until termination of said Lease (as provided in Section 15.03 of the System Lease) the parties to said Interline Agreement shall otherwise continue responsible for the performance of their obligations thereunder (except for any modifications thereof required by the provisions of subparagraph (c) of Paragraph 4.01 hereof respecting payment of rental) and the Airline Tank Farm Committee established thereunder shall continue to exercise jurisdiction over matters relating to the operation of the premises covered by said Lease and the allocation of tankage therein.

ARTICLE VI

RESTRICTION ON INDIVIDUAL ACTION

6.01 Each Participating Airline agrees with each other Participating Airline to duly perform and observe its obligations under the System Lease. In addition, each Participating Airline agrees that, without prior approval of the Fuel System Committee, it will not:

(a) Request partition of its interest under the System Lease;

(b) Permit use of the System or any part thereof by others than the Participating Airlines, except as may be required under the provisions of Section 1.04 of the System Lease; provided, however, the foregoing shall not prevent any Participating Airline from servicing any aircraft operated by any scheduled air transportation company with aviation fuel, which fuel shall, for the purposes of Paragraph 4.01 hereof, be deemed to be distributed from the System to such Participating Airline;

(c) Sublet or assign its interest under the System Lease;

(d) Take action to cure default by the City under the System Lease (except when the safety of its operations is involved); or

(e) Construct or install any improvements, facilities and equipment, or any additions thereto; provided, however, that a Participating Airline shall have the right at any time to install improvements, facilities and equipment on its then "individual use" portions of the System (as defined in Paragraph 4.02 hereof), if such action does not adversely affect other portions of the System, and on transfer lines from the primary bulk storage area to any separate tanks then assigned to it in the satellite storage areas, if all other Participating Airlines, if any, utilizing such transfer lines consent thereto and if such action does not adversely affect other portions of the System.

ARTICLE VII

TERMINATION

In the event the interest of a Participating Airline in the System Lease shall be terminated by action of the City or otherwise, the interest of such Participating Airline hereunder shall terminate concurrently and such Participating Airline shall forthwith cease to be a Participating Airline hereunder. Such termination shall not, however, prejudice any claims the other Participating Airlines may have against such terminated Participating Airline under Paragraph 4.08 hereof or otherwise.

In the event a Participating Airline ceases or suspends its operations at the Airport for a period exceeding six months, and whether or not such Participating Airline's interest in the System Lease is terminated, it shall not be entitled during the period of such cessation or suspension to representation on the Fuel System Committee. The fact that such Participating Airline is not entitled to representation on the Fuel System Committee shall not relieve it of its obligations under Article IV hereof or other provisions of this Agreement.

ARTICLE VIII

ADMISSION OF OTHER AIRLINE PARTIES

It is the intention of the Participating Airlines that other Airline Parties (as defined in Section 14.05 of the System Lease) shall have the right to participate in the use of the System (subject to the limitations set forth in Section 1.04 of the System Lease) on such equitable basis of payment to, or for the account of, the Participating Airlines as may be approved by the Commissioner of Aviation of the City, provided such participation will not impair the use of the System for the actual and reasonably anticipated requirements of the Participating Airlines and any other then participants in the System. Any such payment made by any such other Airline Party on account of rental payable for any month to the City under the System Lease, shall be credited to the Participating Airlines in the respective amounts of such rental with which they are charged under Paragraph 4.01 hereof, except that to the extent, if any, such payment relates to the use by such other Airline Party of any Participating Airline's then "individual use" portion of the System (as defined in Paragraph 4.02 hereof), such payment shall be credited to the Participating Airline or Airlines then charged, pursuant to Paragraph 4.01(b) hereof, with the payment of rental with respect to such "individual use" portion.

ARTICLE IX

NOTICES

Any notice, consent or approval which may or is required to be given or delivered under this Agreement shall be in writing and shall be sent by registered mail, postage prepaid, to each of the Participating Airlines at its main or executive office (or to such other address as it may designate in writing) with a copy to its office at the Airport.

ARTICLE X

EFFECTIVE DATE

This Agreement shall become effective only upon execution and delivery of this Agreement by all Participating Airlines named below; provided, however, this Agreement shall in no event become effective until and unless the System Lease becomes effective in accordance with the provisions thereof.

ARTICLE XI

COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the various Participating Airlines on separate counterparts, each of which counterparts shall be executed by United Air Lines, Inc., and all of which, taken together, shall constitute one and only one instrument.

ARTICLE XII

CAB FILING

United Air Lines, Inc. shall file this Agreement with the Civil Aeronautics Board pursuant to Section 412 of the Civil Aeronautics Act and each of the other Participating Airlines by execution hereof concurs in such filing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

Attest:

A. A. PARADIS

Assistant Secretary

Attest:

VELTA BOWLWARE

Assistant Secretary

Attest:

HAYES DEVER

Secretary

Attest:

PAUL F. KRIETHE, JR.

Assistant Secretary

Attest:

TODD G. COLE

Assistant Secretary

Attest:

R. S. LIPP

Secretary

Attest:

O. R. BURGHARDT

Secretary

AMERICAN AIRLINES, INC.

By GEORGE C. VAN NOSTRAND

Vice President

BRANIFF AIRWAYS, INCORPORATED

By R. V. CARLETON

Vice President

CAPITAL AIRLINES, INC.

By A. G. LOCHIEL

Vice President

CONTINENTAL AIR LINES, INC.

By H. L. LAWRENCE

Executive Vice-President

DELTA AIR LINES, INC.

By C. E. WOOLMAN

President and General Manager

EASTERN AIR LINES, INC.

By T. F. ARMSTRONG

President

THE FLYING TIGER LINE, INC.

By FRED BENNINGER

Executive Vice President

Attest:

L. W. HARTMAN

Assistant Secretary

Attest:

BERNARD SWEET

Secretary

Attest:

A. E. FLOAN

Vice President and Secretary

Attest:

ARTHUR G. HEYNE

Secretary

Attest:

JOSIAH MACY, JR.

Assistant Secretary

Attest:

E. WILEY BARKER

Assistant Secretary

Attest:

J. M. YOUNG

Assistant Secretary

Attest:

S. P. MARTIN

Secretary

LAKE CENTRAL AIRLINES, INC.

By _____
D. S. GETCHELL

Vice President

NORTH CENTRAL AIRLINES, INC.

By _____
H. N. CARR

President

NORTHWEST AIRLINES, INC.

By _____
DONALD W. NYROP

President

OZARK AIR LINES, INC.

By _____
LADDIE HAMILTON

President

PAN AMERICAN WORLD AIRWAYS, INC.

By _____
J. C. LESLIE

Vice President

TRANS WORLD AIRLINES, INC.

By _____
A. V. LESLIE

Vice President

TRANS-CANADA AIR LINES

By _____
G. R. MCGREGOR

President

UNITED AIR LINES, INC.

By _____
CURTIS BARKES

Vice President

CITY OF CHICAGO

CHICAGO-O'HARE
INTERNATIONAL AIRPORT

Fueling System Lease

Dated as of January 1, 1959

Fueling System Lease

THIS LEASE made and entered into as of this 1st day of January, A.D., 1959, by and between the CITY OF CHICAGO, a municipal corporation of the State of Illinois (hereinafter referred to as "City"), party of the first part, and AMERICAN AIRLINES, INC., a Delaware corporation, BRANIFF AIRWAYS, INCORPORATED, an Oklahoma corporation, CAPITAL AIRLINES, INC., a Delaware corporation, CONTINENTAL AIR LINES, INC., a Nevada corporation, DELTA AIR LINES, INC., a Louisiana corporation, EASTERN AIR LINES, INC., a Delaware corporation, THE FLYING TIGER LINE, INC., a Delaware corporation, LAKE CENTRAL AIRLINES, INC., a Delaware corporation, NORTH CENTRAL AIRLINES, INC., a Wisconsin corporation, NORTHWEST AIRLINES, INC., a Minnesota corporation, OZARK AIR LINES, INC., a Missouri corporation, PAN AMERICAN WORLD AIRWAYS, INC., a New York corporation, TRANS WORLD AIRLINES, INC., a Delaware corporation, TRANS-CANADA AIR LINES, a corporation of the Dominion of Canada, and UNITED AIR LINES, INC., a Delaware corporation (hereinafter collectively referred to as "Lessees" and individually as "Lessee"), parties of the second part,

WITNESSETH :

WHEREAS, City owns and operates the airport known as Chicago-O'Hare International Airport (a plat of said airport being attached as Exhibit A to the agreement of even date herewith, entitled and hereinafter referred to as the Airport Use Agreement, between City and each Lessee, individually), situated in the County of Cook and the County of Du Page, State of Illinois (hereinafter, together with any additions thereto or enlargements thereof, whether or not made with corporate funds of City, Government Grants in Aid, Approved Revenue Bonds (as such term is hereinafter defined), or any other funds of any nature whatsoever, referred to as the "Airport"), with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided; and

WHEREAS, each Lessee is engaged in the business of air transportation and desires to lease a fueling system at the Airport and to obtain certain rights and privileges with respect thereto, all in common with the other Lessees, all as hereinafter provided; and

WHEREAS, City is willing to lease such fueling system and to grant rights and privileges with respect thereto to each of the Lessees, in common with each other, upon the terms and conditions hereinafter provided; and

WHEREAS, City has adopted an ordinance providing for the issuance of revenue bonds, the proceeds of which are to be used, among other things, for the construction of such fueling system, according to plans and specifications on file in the office of the Clerk of City, and City is willing to use its best efforts to finance and construct such system,

NOW, THEREFORE, for and in consideration of the premises (which are incorporated into the body of this Lease as fully as if they were set forth therein) and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

ARTICLE I

PREMISES

SECTION 1.01. *Lease of premises.* City leases to each Lessee and grants to each Lessee, its employees, agents, guests, patrons and invitees, the exclusive use, in common with each of the other Lessees, their employees, agents, guests, patrons and invitees, the following premises (including in each case improvements and facilities thereon) at the Airport:

- (a) approximately twenty-six (26) acres located in the general area designated on Exhibit B attached hereto and made a part hereof as Tank Farm Area, hereinafter referred to as the Tank Farm Area;

- (b) approximately two and two-tenths (2.2) acres located in the general area designated on said Exhibit B as Truck Fill Stand Area, hereinafter referred to as the Truck Fill Stand Area;
- (c) approximately one and two-tenths (1.2) acres, consisting of the various parcels in the general areas designated on said Exhibit B as Satellite Area, hereinafter referred to as the Satellite Area;
- (d) an underground area of approximately eight (8) acres, for the construction, installation, maintenance, use and operation of piping and related facilities, consisting of (i) an area approximately twenty (20) feet in width following the general route of the Transfer Piping Area shown on said Exhibit B between the Tank Farm Area and the Truck Fill Stand Area, and (ii) an area approximately twenty (20) feet in width following the general route of the Transfer Piping Area shown on said Exhibit B between the Truck Fill Stand Area and the various parcels of the Satellite Area, together with rights on the surface above such underground area necessary or appropriate in connection with such construction, installation, maintenance, use and operation, which underground areas and surface rights, together with the underground areas and surface rights described in subparagraph (e) below, are hereinafter referred to as the Piping Area; and
- (e) an underground area for the construction, installation, maintenance, use and operation of piping and related facilities between the various parcels of the Satellite Area and the fingers of the passenger terminal facilities to be constructed at the Airport, according to the plans and specifications prepared by Naess & Murphy, architects, and on file in the office of the City Clerk, and also between the various parcels of the Satellite Area and the facilities to be constructed, according to such plans and specifications, on the Cargo Area at the Airport shown on said Exhibit B, together with rights on the surface above such underground area necessary or appropriate in connection with such construction, installation, maintenance, use and operation.

The Tank Farm Area, the Truck Fill Stand Area, the Satellite Area and the Piping Area are hereinafter collectively referred to as the "demised premises."

As promptly as practicable, the Consulting Engineer shall specify within the foregoing requirements the exact location on the Airport of the demised premises and each part thereof and the Commissioner of Aviation shall advise Lessees in writing thereof, whereupon the demised premises shall be the areas so specified by the Consulting Engineer.

Notwithstanding the foregoing, City shall have such rights and privileges on the demised premises as may be necessary or appropriate for the construction by City provided for in Section 4.01 hereof. In addition, City shall have the right to construct, install, maintain, use and operate piping and related facilities on the underground area referred to in subparagraph (d) of the first paragraph of this Section, but only if such action shall not interfere with the use of such area, in accordance with the provisions hereof, by any one or more Lessees.

SECTION 1.02. *Use of premises.* The use by each Lessee of the demised premises shall include the use thereof, in common with other Lessees, subject to the provisions hereof and to rules and regulations promulgated by City in accordance with Article VI hereof, for the following purposes:

- (a) the purchase, receipt, storage, handling, distribution, sale, exchange and dispensing of gasoline, kerosene and any other fuel or propellant, for aircraft and equipment operated by such Lessee or by any other Airline Party, for equipment of any operator designated by Lessees or any thereof to exercise on their behalf any of their rights with respect to the demised premises, and for aircraft and equipment operated by any other party approved for such purpose by the Commissioner of Aviation;
- (b) the construction, installation, maintenance, use and operation of facilities and equipment, and the carrying on of activities reasonably necessary or convenient, in connection with the foregoing; provided, however, that any such construction, installation, maintenance, use or operation by any Lessee on any passenger ramp area at the Airport leased to any Airline Party shall be carried

on only in such manner as will not unreasonably interfere with such Airline Party's use of such passenger ramp area; and

- (c) the carrying on of other operations and activities reasonably necessary or convenient to the conduct by such Lessee of air transportation; provided, however, that all such other operations and activities shall be subject to the approval of the Commissioner of Aviation;

subject, however, to such restrictions, if any, as may at the time be provided in any agreement then in effect between all Lessees.

The rights conferred upon each Lessee hereunder may be exercised, in whole or in part, by it alone or in conjunction with other Lessees, either directly or through another designated by it or them.

Notwithstanding the lease of the demised premises hereunder, no Lessee shall be entitled to construct or install equipment, improvements or facilities in, or otherwise occupy or use any part of the demised premises until such time as the Consulting Engineer shall certify that such part is available for such construction, installation, occupancy or use. Furthermore, any such construction, installation, occupancy or use during any period prior to completion of the construction by City provided for in Section 4.01 hereof shall be subject to such restrictions as the Commissioner of Public Works may reasonably prescribe as appropriate in order not to unreasonably interfere with such completion. Subject to the foregoing requirements and the provisions hereof, each Lessee, in common with other Lessees, shall be permitted, at as early a date as practicable, to construct and install equipment, improvements, and facilities in the demised premises.

SECTION 1.03. *Ingress and egress. Right to connect facilities, etc.* Subject to rules and regulations promulgated by City in accordance with Article VI hereof, each Lessee shall have the right and privilege over the Airport of ingress to and egress from the demised premises for its employees, agents, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their equipment, vehicles, machinery and other property, including the right to construct, install, maintain, use and operate on the Airport (a) pipe lines and related facilities for the purpose of connecting the Tank Farm Area with gasoline, kerosene or other fuel or propellant pipe lines off the Airport, (b) facilities and equipment for the purpose of connecting the Tank Farm Area with railroad tracks serving such Area, and (c) facilities and equipment for the purpose of connecting the demised premises with water lines, sewer lines, drainage ditches and utility lines serving such premises. Any such connection shall be at a point and over a route approved by the Commissioner of Public Works or other official having charge of the Airport, as being the most practical place and route available. Lessees shall pay all charges for electric power furnished to the demised premises. Except as in this Lease or in any other agreement between City and any Lessee otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon such Lessee, its employees, agents, guests, patrons and invitees, or its or their suppliers of materials and furnishers of service, for such right of ingress and egress, including such connections, or for the privilege of purchasing, selling or using for a purpose herein permitted any materials or services purchased or otherwise obtained by such Lessee, or exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas, sightseeing facilities or ground transportation to or from the Airport furnished by City or its concessionaires, or preclude City from imposing any sales, occupation or other taxes provided by law, permit or license fee not inconsistent with the rights and privileges granted to such Lessee hereunder.

Each Lessee shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice.

SECTION 1.04. *Use of premises on behalf of or by others.* Any of the demised premises may also be used, in whole or in part, by any Lessee on behalf of or in conjunction with any other Airline Party or Parties, to the same extent as such Lessee is entitled to use such premises in its own behalf, and any Lessee

shall also be entitled to sublease its interest in any of the demised premises, in whole (subject to the prior approval of City) or in part, to any other Airline Party or Parties, subject, however, in each case to such restrictions, if any, as may at the time be provided in any agreement then in effect between all Lessees. All Lessees shall be entitled to sublease the demised premises, in whole (subject to the prior approval of City) or in part, to any operator designated by them to operate any part of the fueling system located on such premises in accordance with the provisions hereof. In case of any use of any of such premises by any Lessee on behalf of or in conjunction with any other Airline Party or Parties, or in case of any sublease of any of such premises in accordance with the foregoing provisions, each Lessee shall remain liable for its obligations hereunder and the rights and privileges granted hereunder to such Lessee, its employees, agents, guests, patrons and invitees and its or their suppliers of materials and furnishers of service shall be granted with respect to such premises to such other Airline Party or Parties or sublessee, as the case may be, and its or their employees, agents, guests, patrons, invitees, suppliers of materials and furnishers of service.

Notwithstanding the foregoing provisions of this Section 1.04, no use of any of the demised premises by any Lessee may be made by it on behalf of or in conjunction with any other Airline Party who is not a Lessee, and no sublease of its interest in any such premises may be made by any Lessee to any other Airline Party who is not a Lessee or to any operator of the fueling system leased hereunder, except in each case with the consent of the Commissioner of Aviation, if such use or sublease involves payment to such Lessee of an amount greater than such Lessee's expenses with respect to the premises, facilities and services used by, furnished to or subleased to such other Airline Party or operator.

The fueling system located on the demised premises shall be made available by Lessees for participation therein, on such equitable basis of payment to or for the account of Lessees as may be approved by the Commissioner of Aviation, by any other Airline Party who is not a Lessee, but only if such participation will not impair the usefulness of such fueling system for the actual and reasonably anticipated requirements of Lessees and any other then participants in such system; and provided further, that no such other Airline Party shall be entitled to use, without the consent of the Lessee or Lessees involved, any portion of such fueling system which shall consist of any distribution outlet located in any passenger or cargo ramp area at the Airport which shall have been leased by City to such Lessee or Lessees or any storage facilities, located in either the Tank Farm Area or the Satellite Area, which shall have been designated for the exclusive use of such Lessee or Lessees under the terms of any agreement at the time in effect between all Lessees.

ARTICLE II

TERM

The term of this Lease shall be for a period of forty (40) years commencing on the date set forth in the first line of this Lease.

ARTICLE III

RENTALS

As rental for the demised premises, each Lessee shall pay on or before the first day of each calendar month, commencing January 1, 1962 and thereafter during the term hereof as to such Lessee, a monthly rental (hereinafter called "ground rental") in the amount set forth below opposite the name of such Lessee in the column headed "Monthly Ground Rental."

Each Lessee shall also pay on or before the first day of each calendar month, commencing January 1, 1962 (regardless of the date on which the fueling system to be constructed by City upon the demised premises shall be completed) and thereafter so long during the term hereof as to such Lessee as any Bonds issued pursuant to Section 2.02 or Section 2.15 of the Revenue Bond Ordinance are outstanding, a monthly rental (hereinafter called "additional rental") in the amount set forth below opposite the name of such Lessee in the column headed "Monthly Additional Rental." After the payment and retirement of all Bonds issued pursuant to Section 2.02 or Section 2.15 of the Revenue Bond Ordinance, the additional

rental shall cease, and each Lessee shall be entitled during the term of this Lease as to such Lessee to the continued use of the demised premises upon the payment of the ground rental provided for hereunder.

<u>Name of Lessee</u>	<u>Monthly Ground Rental</u>	<u>Monthly Additional Rental</u>
American Airlines, Inc.	\$1,418	\$10,607
Braniff Airways, Incorporated	91	681
Capital Airlines, Inc.	580	4,341
Continental Air Lines, Inc.	78	581
Delta Air Lines, Inc.	307	2,293
Eastern Air Lines, Inc.	398	2,979
The Flying Tiger Line, Inc.	133	999
Lake Central Airlines, Inc.	9	69
North Central Airlines, Inc.	47	355
Northwest Airlines, Inc.	310	2,319
Ozark Air Lines, Inc.	29	214
Pan American World Airways, Inc.	13	95
Trans World Airlines, Inc.	1,039	7,777
Trans-Canada Air Lines	46	345
United Air Lines, Inc.	1,736	12,979
Total	\$6,234	\$46,634

In the event that this Lease shall be terminated by City as to any Lessee (hereinafter in this paragraph called the "terminated lessee") pursuant to the provisions of Article X hereof, then notwithstanding the foregoing provisions, the total monthly ground rentals and total monthly additional rentals payable hereunder by all other Lessees (hereinafter in this paragraph called the "remaining Lessees") shall be respectively increased in the aggregate, effective as of the first day of the calendar month next succeeding such termination, by the amount of monthly ground rental and monthly additional rental, respectively, payable hereunder at the time of such termination by the terminated lessee, and the monthly ground rental and monthly additional rental payable by each remaining Lessee shall be respectively increased by an amount which bears the same proportion to the aggregate increase hereinabove provided for as the amount of monthly ground rental and additional rental, respectively, payable hereunder at the time of such termination by such remaining Lessee bears to the amount of the total monthly ground rentals and total monthly additional rentals, respectively, payable hereunder at the time of such termination by all remaining Lessees.

The ground rental and additional rental are herein collectively referred to as "rental" and shall be payable at the office of the City Comptroller. Any rental payable by any Lessee hereunder which is not paid when due shall bear interest at the rate of seven per cent (7%) per annum from the due date thereof until paid.

City and each Lessee agree that so long as any Approved Revenue Bonds are outstanding the rentals provided for hereunder shall not be reduced.

ARTICLE IV

CONSTRUCTION AND MAINTENANCE BY CITY

SECTION 4.01. *Construction by City.* City agrees to use its best efforts to cause the fueling system, shown on the plans and specifications prepared by Naess & Murphy, architects, and on file in the office of the City Clerk, to be completed on the demised premises as early as practicable. The Airlines Representa-

tive and any persons designated by him shall be entitled to participate in the preparation of final plans and specifications for the construction of such fueling system and of any modifications of any approved final plans and specifications for such construction and shall be consulted for his or their suggestions before any such final plans and specifications or modifications thereof are approved. Promptly following completion of construction of such fueling system, City shall furnish the Airlines Representative with a cost breakdown of the actual cost of such construction. Any architect or engineer appointed by Lessees may also, without cost to City, assist in the supervision of the construction of such fueling system.

City also agrees to use its best efforts to cause roadways, a railroad siding, and a water line serving the demised premises, as shown in such plans and specifications on file in the office of the City Clerk, to be completed as early as practicable.

The obligations of City under this Section 4.01 are subject to the availability of funds from the proceeds of Bonds issued pursuant to the Revenue Bond Ordinance.

Each Lessee is granted the right and privilege to use in common with others the roadways, railroad siding, water lines, sewer lines and drainage ditches serving the demised premises; provided, however, that each Lessee shall be required to pay to City a reasonable charge for direct metered water supplied by City to such Lessee through any such water line.

SECTION 4.02. *Maintenance and operation.* City shall operate and maintain, in all respects in a manner consistent with that of a reasonably prudent operator of an airport, and keep in good condition and repair, all roadways, water lines, sewer lines, drainage ditches, additions, improvements, facilities and equipment now or hereafter provided by City, serving the demised premises but located outside the demised premises.

SECTION 4.03. *Taxes on demised premises.* City shall pay any and all taxes or special assessments, if any, which may be levied or assessed upon the demised premises; provided, however, that the foregoing shall not apply to taxes on any personal property or leasehold of any Lessee located on such premises.

SECTION 4.04. *Possession and enjoyment.* City agrees that each Lessee, performing its obligations hereunder, shall be entitled to and shall have possession and enjoyment of the premises, rights and privileges leased to it hereunder, subject, however, to the provisions hereof.

SECTION 4.05. *Performance by Lessees upon failure of City to maintain and operate.* In the event City fails to perform, for a period of thirty (30) days after notice from any Lessee so to do, any obligation required by this Article IV to be performed by City, such Lessee may perform such obligation of City and bill City for the cost to such Lessee of such performance, but such Lessee shall not deduct any such cost from any amounts due hereunder or under any other agreement between such Lessee and City relating to the Airport unless at the time there are no Approved Revenue Bonds outstanding; provided, however, that if City's failure to perform any such obligation endangers the safety of the operations of such Lessee at the Airport and such Lessee so states in its notice to City, such Lessee may perform such obligation of City at any time after the giving of such notice and bill City for such Lessee's cost of such performance, but such Lessee shall not deduct any such cost from any amounts due hereunder or under any other agreement between such Lessee and City relating to the Airport unless at the time there are no Approved Revenue Bonds outstanding. City, however, shall not be liable to any Lessee for any loss of revenues to such Lessee resulting from any of City's acts, omissions or neglect in the maintenance and operation or otherwise by it of the Airport or any facilities now or hereafter connected therewith.

ARTICLE V

CONSTRUCTION, MAINTENANCE AND REPAIR BY LESSEES

SECTION 5.01. *Construction, maintenance and repair by Lessees.* Each Lessee, with the consent of the other Lessees, may construct or install at its or their own expense, any improvements, facilities and equipment, and any additions thereto, in the demised premises; provided, however, plans and specifications of any such proposed construction or installation (including any substantial alteration or addition thereto)

shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement of construction or installation. All such construction or installation shall be made only after obtaining requisite building or construction licenses or permits.

Each Lessee shall cause all improvements and facilities and additions thereto, constructed or installed by any Lessee (either alone or in common with other Lessees) on the demised premises to be kept and maintained in good operating condition and repair. Subject to the provisions of Article VIII hereof, each Lessee shall, after completion of the construction thereof, cause all improvements constructed by City on the demised premises to be kept and maintained in good operating condition and repair.

No restrictions shall be placed on any Lessee as to the architects, builders or contractors who may be employed by it in connection with construction, installation, alteration, repair or maintenance by such Lessee on the demised premises.

Each Lessee shall, after completion of the construction provided for by Section 4.01 hereof, cause the demised premises and all construction and installations made thereon to be kept in a sanitary and slightly condition, and shall cause all health and safety requirements applicable thereto to be complied with.

SECTION 5.02. *Covenant against liens.* Each Lessee shall keep the demised premises and the improvements and facilities constructed thereon free and clear of any and all liens in any way arising out of the action, or use thereof, by such Lessee; provided, however, that such Lessee may in good faith contest the validity of any lien.

SECTION 5.03. *Performance by City upon failure of Lessees to maintain.* In the event any Lessee fails to perform for a period of thirty (30) days after notice from City so to do, any obligation required by this Article V to be performed by such Lessee, City may enter the premises involved (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by such Lessee) and do all things necessary to perform such obligation, charging to such Lessee the cost and expense thereof and such Lessee agrees to pay City such charge in addition to any other amounts payable by such Lessee hereunder; provided, however, that if such Lessee's failure to perform any such obligation endangers the safety of the public or of employees of City, and City so states in its notice to such Lessee, City may perform such obligation of such Lessee at any time after the giving of such notice and charge to such Lessee, and such Lessee shall pay, as aforesaid, the cost and expense of such performance.

SECTION 5.04. *Right of reimbursement of Lessees.* The obligations of each Lessee under this Article V shall be without prejudice to the right of such Lessee to obtain reimbursement from any other Lessee for or on account of costs and expenses incurred by such Lessee in performing any obligation of such Lessee hereunder, if such other Lessee is also obligated hereunder to perform such obligation.

ARTICLE VI

RULES AND REGULATIONS

Each Lessee shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by City, which are reasonably required for the prudent and efficient operation of the Airport and are not inconsistent with the reasonable exercise by such Lessee of any right or privilege granted to it hereunder or under any other agreement between such Lessee and City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the Civil Aeronautics Administration or any other governmental authority having jurisdiction over operations at the Airport.

City shall keep each Lessee supplied with five sets of City's current Airport rules and regulations applicable to such Lessee. Except in cases of emergency, no such rule or regulation shall be applicable to any Lessee unless it has been given fifteen (15) days notice of the adoption thereof.

City, however, shall have no control over the rates, fares or charges that any Lessee may prescribe in connection with its conduct of an air transportation business.

Any operator (whether or not a sublessee) of any part of the fueling system leased hereunder shall be subject to the provisions of this Article.

ARTICLE VII

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require any Lessee or any operator of any part of the fueling system leased hereunder to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to Lessees hereunder.

ARTICLE VIII

INDEMNITY AND INSURANCE

SECTION 8.01. *Liability arising from act of Lessees.* Each Lessee agrees to indemnify and hold City harmless from and against all liabilities, judgments, costs, damages and expenses which may accrue against, be charged to or recovered from City by reason or on account of damage to the property of City or the property of, injury to or death of any person, arising from such Lessee's use and occupancy of and operations of the fueling system leased hereunder, including acts of its agents, contractors and subcontractors, except when caused by City's sole negligence or by the joint negligence of City and any person other than such Lessee, its agents, contractors and subcontractors; provided that City shall give such Lessee prompt and timely notice of any claim made or suit instituted which, in any way, affects such Lessee or its insurer, and such Lessee or its insurer shall have the right to compromise and defend the same to the extent of their own interests. Any final judgment rendered against City for any cause for which any Lessee is liable hereunder shall be conclusive against such Lessee as to liability and amount.

Each Lessee shall, without expense to City, cause insurance to be kept in force of the following types and in not less than the following amounts, issued by a company or companies of sound and adequate financial responsibility, insuring, among others, such Lessee and City against all liabilities for accidents arising out of or in connection with such Lessee's use and occupancy of and operations of the fueling system leased hereunder, except when caused by City's negligence alone or jointly with any person other than such Lessee, its agents, contractors and subcontractors, and shall cause certificates to be furnished to City evidencing such insurance, naming City as an additional assured thereunder, subject to the limitations set forth above in respect of City's negligence, to-wit:

Comprehensive Public Liability Insurance.....	\$ 200,000 per person \$5,000,000 per accident
Comprehensive Property Damage Insurance.....	\$5,000,000 per accident

SECTION 8.02. *Insurance in connection with construction by City.* City shall, until the date upon which the completion of the improvements to be constructed by City on the demised premises as provided in Section 4.01 hereof is certified by the Consulting Engineer, keep in force insurance issued by a responsible insurance company or companies, insuring City against all liabilities for public liability or property damage arising out of or in connection with the construction upon or the use and occupancy of the demised premises in amounts of comprehensive insurance not less than those provided in Section 8.01 hereof, and insuring such improvements during construction under completed builder's risk insurance, against fire, extended coverage and vandalism in an amount equal to the full insurable value of such construction as the same progresses in order to assure continuity of construction and ultimate completion despite damage or destruction suffered during the course thereof. City may cause such insurance to be effected in whole or in part by the contractors performing the construction work, but, in any event, the cost of such insurance shall be deemed a part of the cost of construction of such improvements. City's obligations under this Section are subject to the availability of funds for the cost of such insurance.

SECTION 8.03. *Insurance after completion of construction.* The improvements being constructed by City hereunder on the demised premises, shall be insured at all times, on and after the date upon which completion thereof is certified by the Consulting Engineer and during the term hereof, under a so-called "fire and extended coverage policy or policies," issued by a responsible insurance company or companies, which policy or policies shall specifically insure against loss or damage by fire, lightning, collision, explosion, strikes, riots, civil commotions, malicious damage, tornado and windstorm to the greatest amount obtainable, having due regard to the terms and conditions of such policies and the coverage of risks provided for thereunder not, however, exceeding, without consent of Lessees, eighty per cent (80%) of the full insurable value thereof. Such insurance policy or policies shall be taken out and maintained by City, but prior to the taking out of such policy or policies City shall advise the Airlines Representative of the insurance policies proposed to be taken out by City and the cost and coverage thereof and shall give due consideration to any suggestions made by such Representative with respect to the proposed insurance. All such insurance policies shall name as insureds thereunder City, Lessees and any operator selected by Lessees to operate any part of the fueling system leased hereunder, and shall provide that proceeds of such insurance shall be payable to City and such policies shall be delivered to the City Comptroller of City. Each Lessee shall pay to City at the office of the City Comptroller within 20 days after receipt by such Lessee of a statement therefor, a percentage of the cost of any insurance policies taken out by City pursuant to the foregoing provisions, which percentage shall be the same percentage as the amount of the monthly rentals at the time payable hereunder by such Lessee is of the aggregate amount of the monthly rentals at the time payable hereunder by all Lessees. Any such amount which is not paid by any Lessee when due shall bear interest at the rate of seven percent (7%) per annum from the due date thereof until paid.

Should any improvement constructed by City on the demised premises be damaged or destroyed on or after the date of completion thereof as certified by the Consulting Engineer, and if any insurance proceeds are payable by reason thereof, City shall immediately after such damage or destruction cause plans, specifications and estimate of cost for repairing, replacing or reconstructing the damaged or destroyed property (in accordance with the original design, subject to such modifications thereof as may be approved by the Airlines Representative, or any person or persons designated by him, and the Commissioner of Public Works) to be prepared. The Airlines Representative, or any person or persons designated by him, shall be entitled to participate in the preparation of such plans and specifications and shall be consulted for his or their suggestions before any such plans and specifications are approved. Such insurance proceeds shall be applied, as promptly as practicable, to the repair, replacement or reconstruction of the damaged or destroyed property, in accordance with such plans and specifications, except that if such proceeds are more than sufficient for such purpose, the balance remaining upon completion of the repairs, replacement or reconstruction of the damaged or destroyed property, shall, if at the time any Bonds are outstanding under the Revenue Bond Ordinance, be transferred to the credit of the Sinking Fund Account under such Ordinance, and if at the time but only if at the time no such Bonds are outstanding, shall be set aside and deposited in the Improvement Account referred to in the Airport Use Agreement. If such insurance proceeds are insufficient for such purpose, the deficiency shall be supplied by City from any moneys in the Reserve Maintenance Account or the Deferred Maintenance Account, as the case may be.

ARTICLE IX

ABATEMENT

SECTION 9.01. *Abatement in event of closing while any Approved Revenue Bonds are outstanding.* In the event that the Airport shall be closed for any period of time by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction, while any Approved Revenue Bonds are outstanding, then to the extent but only to the extent that sufficient moneys are then held to the credit of the Emergency Reserve Account under the Revenue Bond Ordinance, the rentals provided herein as payable by each Lessee shall abate for the period of such closing.

In the event the Airport shall be so closed for the landing or taking off of all turbo jet powered aircraft operated by Airline Parties, which at the time are landing or taking off, in the course of normal operations, at one or more airports having facilities similar to those at the Airport, but shall not be closed to the landing or taking off of other aircraft operated by any Airline Parties, while any Approved Revenue Bonds are outstanding, then fifty per cent (50%) of the rentals provided herein as payable by each Lessee shall abate for the period of such closing, but in no event for more than six (6) months for any single closing, in any fiscal year, to the extent but only to the extent that sufficient moneys are then held to the credit of the Emergency Reserve Account under the Revenue Bond Ordinance.

Notwithstanding the foregoing provisions, in the event there are not sufficient moneys at the time to the credit of the Emergency Reserve Account available for use under the Revenue Bond Ordinance in an amount equivalent to the amount of rentals to be abated pursuant to the foregoing provisions of this Section 9.01 and pursuant to similar provisions for the abatement of rentals under any other leases of premises at the Airport between City and any Airline Party or Parties, then the abatement of rentals pursuant to this Section 9.01 and pursuant to the provisions of such other leases shall be proportionately decreased so that the aggregate amount of all such abatements shall not exceed the moneys at the time to the credit of the Emergency Reserve Account which are available for use under the Revenue Bond Ordinance.

SECTION 9.02. *Abatement on account of casualty when no Approved Revenue Bonds are outstanding.* If due to damage or destruction by fire, other casualty, act of God or the public enemy, not due to any fault of any Lessee, any of the facilities serving the demised premises which are to be furnished by City as provided in Section 4.01 hereof shall be rendered unusable to such an extent as to substantially impair the ability of Lessees to conduct normal operations on the demised premises, and if at the time but only if at the time no Approved Revenue Bonds are outstanding, then the rental payable hereunder by Lessees for such premises shall be paid up to the date of such damage or destruction, but, unless City shall promptly furnish adequate temporary substitute facilities and expeditiously restore such facilities so damaged or destroyed, such rental shall thereafter abate in an amount directly proportional to the extent Lessees' ability to conduct normal operations on such premises is impaired by such damage or destruction; provided, however, that if City fails to repair such damage or destruction so that Lessees' ability to conduct normal operations on such premises is substantially impaired for more than ninety (90) days and if at the time but only if at the time no Approved Revenue Bonds are outstanding, then Lessees at their option may, by giving to City at least thirty (30) days prior notice, terminate this Lease. City shall not be liable to any Lessee for damages for City's failure to furnish such temporary substitute facilities or, except as provided in Section 4.05 hereof, for City's failure to expeditiously restore such facilities.

If due to damage or destruction by fire, other casualty, act of God or the public enemy affecting the Airport, Lessees' use of the Airport in its conduct of an air transportation system shall be substantially affected and if at the time but only if at the time no Approved Revenue Bonds are outstanding, then, without any prejudice to any right of termination hereunder, Lessees shall have the right upon notice to City, to the abatement of a just proportion of the rental provided herein from the time of such notice until normal operations are permitted.

ARTICLE X

TERMINATION BY CITY

In the event of the failure of any Lessee to pay, when due, any rental payable by such Lessee hereunder and the continuance of such failure for a period of thirty (30) days after notice is given by City to such Lessee of City's election to terminate this Lease, this Lease shall terminate as to such Lessee at the expiration of such period of thirty (30) days.

In the event of the termination, pursuant to the provisions of this Article X, of this Lease as to any Lessee (hereinafter in this paragraph referred to as the "terminated lessee"), then from and after the date of such termination, the terminated lessee shall no longer be considered a Lessee hereunder and shall have no rights or privileges whatsoever hereunder and the remaining Lessees shall be considered the only Lessees hereunder and shall have and possess all rights, privileges and obligations of the Lessees hereunder.

ARTICLE XI

TERMINATION BY LESSEES

After but only after the payment and retirement of all Approved Revenue Bonds, all then Lessees (and only all then Lessees acting together) may terminate this Lease and any or all of their obligations hereunder at any time that Lessees are not in default in the payment of any amount due from them to City hereunder by giving City sixty (60) days advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The failure or refusal of the Civil Aeronautics Administration to approve all weather operations into and from the Airport of aircraft of any type operated by a majority in number of then Lessees in scheduled air transportation using facilities similar to those at the Airport and continuance thereof for a period of at least sixty (60) days.
- (b) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Lessees' use of the Airport in their conduct of air transportation systems and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.
- (c) The issuance of any order, rule or regulation or the taking of any action by the Civil Aeronautics Board or the Civil Aeronautics Administration or other competent government authority, or the occurrence of any fire, other casualty, act of God or the public enemy, substantially affecting, for a period of at least sixty (60) days, Lessees' use of the Airport in their conduct of air transportation systems; provided, however, that none of the foregoing is due to any fault of any Lessee.
- (d) The default by City in the performance of any covenant or agreement required to be performed by City herein, and the failure of City to remedy such default, or to take prompt action to remedy such default, within a period of sixty (60) days after receipt from Lessees of notice to remedy the same.
- (e) The substantial restriction of City's operation of the Airport by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by action of the State of Illinois, or any department or agency thereof, and continuance thereof for a period of not less than sixty (60) days, provided such restriction adversely affects the operations at the Airport of a majority in number of then Lessees.

No waiver by any Lessee of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

ARTICLE XII

SURRENDER OF POSSESSION

Upon termination of this Lease as to all Lessees, Lessees shall surrender the demised premises and the improvements situated thereon, which improvements shall be in good condition and repair, reasonable wear and tear and damage by fire, other casualty, act of God or the public enemy excepted.

ARTICLE XIII

RIGHT OF LESSEES TO REMOVE PROPERTY

Subject to the provisions of Section 5.01 hereof, each Lessee shall be entitled during the term of this Lease and for a reasonable time (not exceeding forty-five (45) days) after its termination as to such Lessee, to remove from the premises involved, or any part thereof, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it (either alone or together with other Lessees) pursuant to this Lease, subject, however, to any valid lien City may have thereon for unpaid rentals or other amounts payable by such Lessee to City hereunder or under any other agreement between City and

such Lessee relating to the Airport or any part thereof, and provided that such Lessee shall have repaired all damage resulting from such removal. Any property placed by any Lessee on the demised premises which Lessee is not expressly permitted to remove therefrom in accordance with the foregoing provisions of this Article XIII, shall upon the construction or installation thereof be and become the property of City.

ARTICLE XIV

DEFINITIONS

The following terms, when used in this Lease, shall have the following meanings:

SECTION 14.01. *Revenue Bond Ordinance.* "Revenue Bond Ordinance" shall mean the Ordinance entitled "Ordinance authorizing the issuance of Chicago-O'Hare International Airport Revenue Bonds Series of 1959 for the purpose of improving and extending said Airport and providing for payment of principal of and interest on said bonds", adopted the 29th day of December, 1958.

SECTION 14.02. *Approved Revenue Bonds.* "Approved Revenue Bonds" shall mean (a) the principal amount of Bonds to be issued pursuant to the provisions of Section 2.02 of the Revenue Bond Ordinance, (b) any additional Bonds which may be issued pursuant to the provisions of Section 2.15 of the Revenue Bond Ordinance to pay the cost of completing improvements as referred to therein, and (c) any additional Bonds which may be issued pursuant to the provisions of Section 2.16 of the Revenue Bond Ordinance for the purpose of constructing additional improvements and extensions referred to therein, if and only if the terms and provisions of such additional Bonds issued under said Section 2.16 and of the Supplemental Ordinance or Ordinances of City authorizing their issue shall have been approved by the Airlines Representative.

SECTION 14.03. *Consulting Engineer.* "Consulting Engineer" shall mean the Consulting Engineer acting as such under the Revenue Bond Ordinance.

SECTION 14.04. *Approved maximum landing weight.* The "approved maximum landing weight" of any aircraft shall mean the maximum landing weight approved by the Civil Aeronautics Administration for landing such aircraft at the Airport.

SECTION 14.05. *Airline Parties.* "Airline Parties" shall mean at any time those air carriers who then have agreements with City, substantially the same as the Airport Use Agreement except as to any difference in the length of term thereof, under which they agree to pay to City, in connection with each fee landing at the Airport of aircraft operated by them, Flight Fees on the basis and in the manner provided in the Airport Use Agreement and who are either

- (a) scheduled air carriers holding certificates of public convenience and necessity issued by the Civil Aeronautics Board,
- (b) foreign air carriers holding foreign air carrier permits issued by the Civil Aeronautics Board, or
- (c) air carriers holding certificates of convenience and necessity issued by the Illinois Commerce Commission (or any successor thereto).

SECTION 14.06. *Majority in Interest of Airline Parties.* The "Majority in Interest of Airline Parties" shall mean at any time the then Airline Parties who (a) constitute at least one-half of all then Airline Parties and (b) operated aircraft landed in fee landings (as defined in the Airport Use Agreement) at the Airport during the next preceding fiscal year having an aggregate approved maximum landing weight representing over fifty per cent (50%) of the aggregate approved maximum landing weight of all aircraft, landed in such fee landings at the Airport during such year, operated by all Airline Parties at the time of determination.

SECTION 14.07. *Airlines Representative.* The "Airlines Representative" at any time shall mean such person (and such alternates, in such order) then designated by a Majority in Interest of Airline Parties by notice to the Commissioner of Aviation. Any such designation of such Representative shall remain in full force and effect until revoked or modified by a Majority in Interest of Airline Parties by notice to the Commissioner of Aviation.

SECTION 14.08. *Commissioner of Public Works.* The "Commissioner of Public Works" shall be concerned with construction at the Airport and shall mean for the purpose of this Lease the Commissioner of Public Works of City (or any successor thereto in whole or in part as to his duties hereunder) and his duly authorized assistants.

SECTION 14.09. *Civil Aeronautics Administration, Civil Aeronautics Board.* The "Civil Aeronautics Administration" and the "Civil Aeronautics Board" shall each include any successor thereto.

SECTION 14.10. *Commissioner of Aviation.* The "Commissioner of Aviation" shall be concerned with the operation and maintenance of the Airport and shall mean for the purpose of this Lease the Commissioner of Aviation of City (or any successor thereto in whole or in part as to his duties hereunder) and his duly authorized assistants.

ARTICLE XV

MISCELLANEOUS

SECTION 15.01. *Equality of treatment.* No rights or privileges with respect to or rentals for the use of any fueling system at the Airport shall be granted to any air transportation company in competition with any Lessee, which are more favorable to such company than those granted to such Lessee and the effect of which is to place such Lessee at a competitive disadvantage.

SECTION 15.02. *Effective date of Lease.* An executed copy of this Lease will be deposited in escrow with The First National Bank of Chicago, as Escrowee, pursuant to an Escrow Agreement, between, among others, City, Lessees and such Escrowee. This Lease shall become effective only when and if delivered uncanceled to City pursuant to the provisions of such Escrow Agreement.

SECTION 15.03. *1955 Tank Farm Lease.* Sixty (60) days after the date on which the Consulting Engineer certifies that the improvements to be constructed by City as provided in Section 4.01 hereof have been completed and are available for normal occupancy and use by the Lessees, each Lessee shall surrender to City any interest of such Lessee under the lease, entitled Tank Farm Lease, dated October 28, 1955, between City and American Airlines, Inc., and such lease and the rights, privileges and obligations of the lessee thereunder shall terminate, without affecting, however, any then accrued rights or liabilities at the time of such termination. The lessee under such lease shall be entitled during such period of sixty (60) days, and not thereafter, to remove from the premises leased thereunder all trade fixtures, tools, machinery, equipment, materials and supplies placed on such premises by such lessee or any predecessor lessee. The monthly rental of Four Thousand Dollars (\$4,000) provided for under such lease shall continue to be payable until December 31, 1961. Subject to the provisions of this Section 15.03, such lease shall continue in effect until termination thereof as hereinabove provided.

SECTION 15.04. *Terminal building space for fueling system operator.* In the event Lessees shall designate an operator for the fueling system on the demised premises and if such operator shall desire space in a terminal building at the Airport for its offices in connection with its operation of such fueling system, then City shall make available for lease to such operator, at a rental equivalent to that payable by Lessees under their Leases of Terminal Facilities, dated as of January 1, 1959, a reasonable amount of space, if available, for such offices in a terminal building at the Airport.

SECTION 15.05. *Consents and approvals.* Consents and approvals by the Commissioner of Public Works, or the Commissioner of Aviation, as the case may be, shall be in writing and shall not be unreasonably withheld and shall be deemed to have been given unless within thirty (30) days after receipt of written request from any Lessee for such consent or approval, the Commissioner of Public Works, or the Commissioner of Aviation, as the case may be, shall have given such Lessee a written reply refusing or withholding action on such consent or approval and stating his reasons for such refusal or such withholding of action.

SECTION 15.06. *Notices.* All notices to City provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to the Commissioner of Aviation of the City of Chicago, City Hall, Chicago 2, Illinois, or to such other address as City may designate from time to time by notice to Lessees, and shall be deemed given when so mailed. All notices to a Lessee provided for here-

in shall be in writing and may be sent by registered mail, postage prepaid, addressed to such Lessee at its address shown below:

American Airlines, Inc., 100 Park Avenue, New York 17, New York
Braniff Airways, Incorporated, Attention: Director of Property Leases, Dallas 35, Texas
Capital Airlines, Inc., Washington National Airport, Washington 1, D. C.
Continental Air Lines, Inc., P.O. Box 9063, Denver 16, Colorado
Delta Air Lines, Inc., Atlanta Airport, Atlanta, Georgia
Eastern Air Lines, Inc., Attention: President, 10 Rockefeller Plaza, New York 20, New York
The Flying Tiger Line, Inc., Attention: Vice President-Operations, Lockheed Air Terminal,
Burbank, California
Lake Central Airlines, Inc., Attention: L. W. Hartmann, Weir Cook Airport, Indianapolis
21, Indiana
North Central Airlines, Inc., Attention: Secretary-Treasurer, 6201 34th Avenue South, Minne-
apolis, Minnesota
Northwest Airlines, Inc., 1885 University Avenue, St. Paul 1, Minnesota
Ozark Air Lines, Inc., Lambert Field, St. Louis 21, Missouri
Pan American World Airways, Inc., Attention: Executive Vice President, Atlantic Division,
Jamaica 30, New York
Trans World Airlines, Inc., Attention: Secretary, 380 Madison Avenue, New York, New York
Trans-Canada Air Lines, Attention: Administrative Assistant to the President, International
Aviation Building, Montreal 3, Quebec, Canada
United Air Lines, Inc., Attention: Secretary, 5959 S. Cicero Ave., Chicago 38, Illinois

or to such other address as such Lessee may designate from time to time by notice to City, and shall be deemed given when so mailed.

SECTION 15.07. *Separability.* In the event any covenant, phrase, clause, paragraph, Section, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, phrase, clause, paragraph, Section, condition or provision shall in no way affect any other covenant, phrase, clause, paragraph, Section, condition or provision herein contained.

SECTION 15.08. *Assignment or Sublease.* A Lessee shall not assign its rights hereunder, in whole, except with the prior consent of City, or in part, except with the prior consent of the Commissioner of Aviation; provided, however, the foregoing shall not prevent the assignment of a Lessee's rights hereunder to any corporation into or with which it may merge or consolidate, or which may succeed to its business and assets.

A Lessee shall not sublease in whole its interest in the demised premises, except with the prior consent of City, and except as otherwise provided in Section 1.04 hereof, a Lessee shall not sublease in part its interest in the demised premises, except with the prior consent of the Commissioner of Aviation.

SECTION 15.09. *Remedies cumulative.* The rights and remedies hereunder are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

SECTION 15.10. *Headings.* The Article and Section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

SECTION 15.11. *Successors and assigns.* All of the covenants, stipulations and agreements herein contained shall, subject to the provisions of Section 15.08 hereof, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

SECTION 15.12. *Construction.* This Lease shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois.

SECTION 15.13. *Counterparts.* This Lease may be executed in any number of copies and by the various parties of the second part on separate counterparts, each of which counterparts shall be executed by City, and all of which counterparts shall be an original and collectively but one instrument.

IN WITNESS WHEREOF, the City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and each of the parties of the second part has caused this Lease to be executed on its behalf and its corporate seal to be hereunto affixed and attested, by its proper corporate officers, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

By
Mayor

ATTEST:

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City Clerk

APPROVED:

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Comptroller

APPROVED:

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Corporation Counsel

ATTEST:

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..... Secretary

ATTEST:

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AMERICAN AIRLINES, INC.

By
..... President

BRANIFF AIRWAYS, INCORPORATED

By
..... President

CAPITAL AIRLINES, INC.

By
..... President

CONTINENTAL AIR LINES, INC.

By
..... President

DELTA AIR LINES, INC.

By
..... President

ATTEST:

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EASTERN AIR LINES, INC.

By
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THE FLYING TIGER LINE, INC.

By
..... President

LAKE CENTRAL AIRLINES, INC.

By
..... President

NORTH CENTRAL AIRLINES, INC.

By
..... President

NORTHWEST AIRLINES, INC.

By
..... President

OZARK AIR LINES, INC.

By
..... President

PAN AMERICAN WORLD AIRWAYS, INC.

By
..... President

TRANS WORLD AIRLINES, INC.

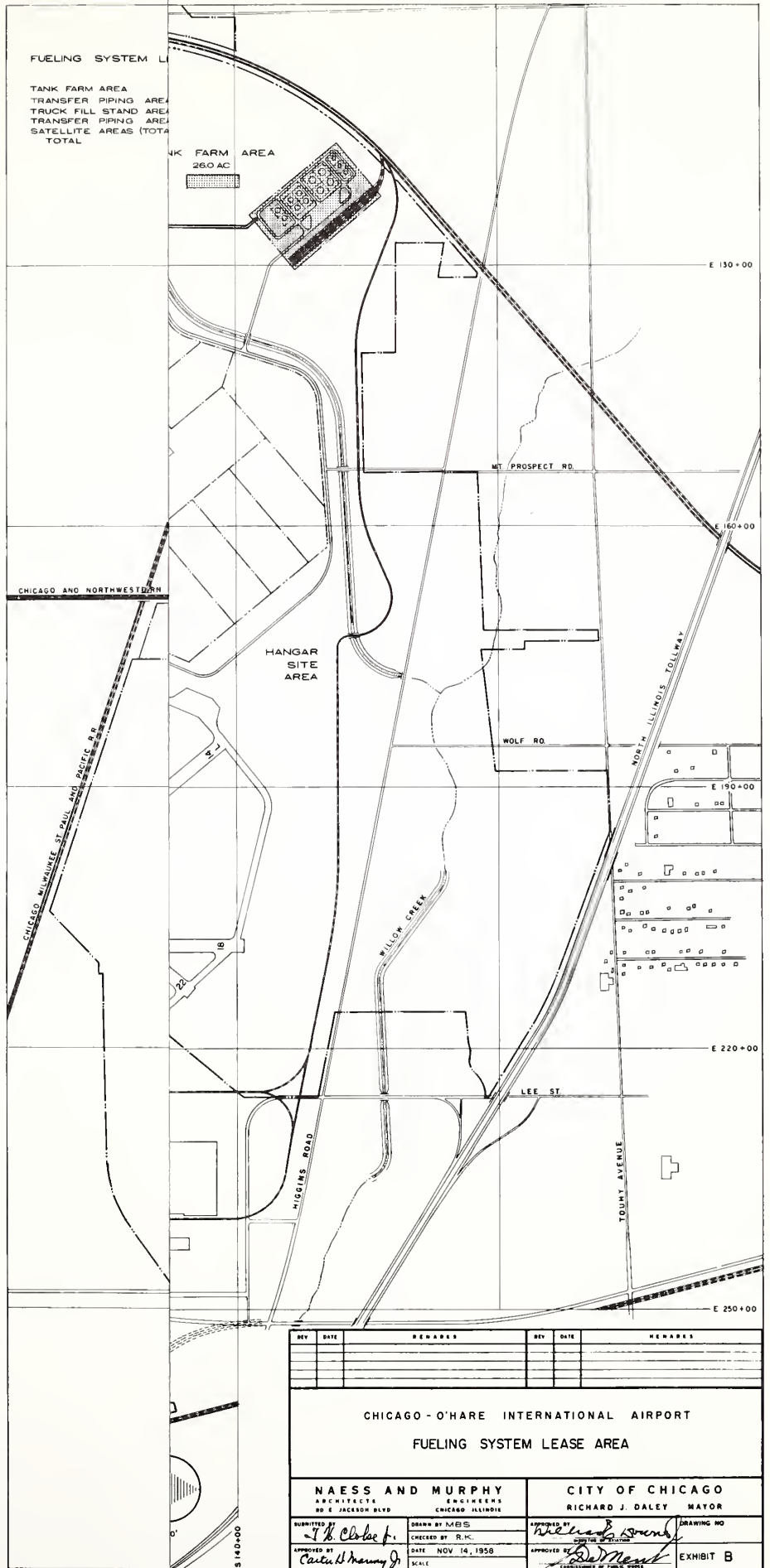
By
..... President

TRANS-CANADA AIR LINES

By
..... President

UNITED AIR LINES, INC.

By
..... President



ATTEST:

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EASTERN AIR LINES, INC.

By
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THE FLYING TIGER LINE, INC.

By
..... President

LAKE CENTRAL AIRLINES, INC.

By
..... President

NORTH CENTRAL AIRLINES, INC.

By
..... President

NORTHWEST AIRLINES, INC.

By
..... President

OZARK AIR LINES, INC.

By
..... President

PAN AMERICAN WORLD AIRWAYS, INC.

By
..... President

TRANS WORLD AIRLINES, INC.

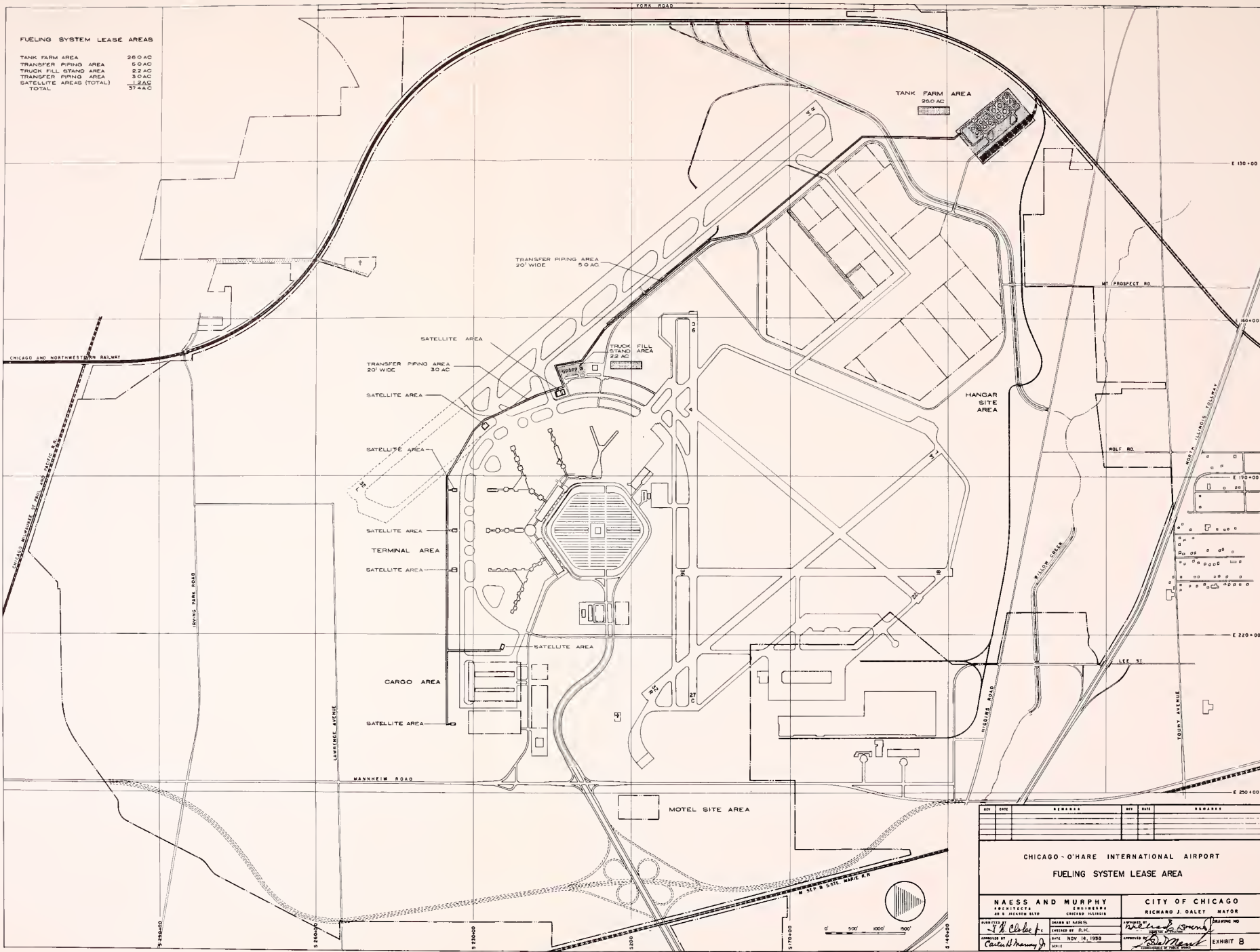
By
..... President

TRANS-CANADA AIR LINES

By
..... President

UNITED AIR LINES, INC.

By
..... President



FUELING SYSTEM LEASE AREAS

TANK FARM AREA	260 AC
TRANSFER PIPING AREA	50 AC
TRUCK FILL STAND AREA	22 AC
TRANSFER PIPING AREA	30 AC
SATELLITE AREAS (TOTAL)	122 AC
TOTAL	574 AC

REV	DATE	REMARKS	REV	DATE	REMARKS

CHICAGO-O'HARE INTERNATIONAL AIRPORT
FUELING SYSTEM LEASE AREA

NAESS AND MURPHY
ARCHITECTS &
ENGINEERS
30 S. JESSUP BLVD
CHICAGO, ILLINOIS

CITY OF CHICAGO
RICHARD J. DALEY, MAYOR

APPROVED BY:
Richard J. Daley
DATE: NOV 14, 1958
BY: *Charles W. Murphy Jr.*

APPROVED BY:
Richard J. Daley
DATE: NOV 14, 1958
BY: *Charles W. Murphy Jr.*

EXHIBIT B



